United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 102d CONGRESS, FIRST SESSION

SENATE—*Tuesday, September 10, 1991*

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. The Senate Chaplain will offer the prayer.

PRAYER

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

Let us pray:

Let us have a moment of silence in memory of Jane McGhee and Gene Feller, both staff members of Senator KASTEN, who died during the recess.

[Moment of silence.]

If we confess our sins, he is faithful and just to forgive us our sins, and to cleanse us from all unrighteousness.—I John 1:9.

God of Abraham, Isaac, and Israel, on this second day of Rosh Hashanah, anticipating Yom Kippur, Day of Atonement, may this week be for all of us a time of self-examination. God of the macrocosm and the microcosm, You rule the universe and know when a sparrow falls to the ground. You know each of us—past, present, future, in microscopic detail—our secret thoughts, words yet unspoken on our tongue, our motivation, our weaknesses, our needs. You know the one who is vulnerable to sex or alcohol or drugs, the one in danger of being corrupted by power or the love of money, the one guilty of violating the mandate received from the people.

And, eternal Father, You know the condition of the Nation and the world—the crises which portend disaster—politically, economically, socially. You know how desperately is needed leadership committed to moral and ethical integrity. In light of these momentous days, forbid that we should suppress our guilt, our need. May this week be one of seeking the face of a holy God.

In His name who is incarnate love. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the majority leader is recognized.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the cloture vote scheduled to occur at 10:30 a.m. be vitiated, that at 10 a.m. this morning the Senate proceed to the consideration of Calendar Order No. 123, H.R. 2707, the Labor-HHS appropriations bill, and that the Senate stand in recess today from 12:30 p.m. until 2:15 p.m. in order to accommodate the party conferences.

The PRESIDENT pro tempore. Is there objection to the several requests of the leader? The Chair hears no objection. It is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, this morning, following the time reserved for the two leaders, there will be a period for the transaction of morning business not to extend beyond 10 a.m., with Senators permitted to speak therein for up to 5 minutes.

As provided in the unanimous consent just granted, at 10 a.m. this morning, the Senate will begin consideration of the Labor-HHS appropriations bill.

RETURN OF SENATOR DAVID PRYOR

Mr. MITCHELL. Mr. President, I know I speak for all Senators when I say I am happy to welcome back to the Senate today Senator DAVID PRYOR of Arkansas. With his return, the Senate is whole again.

I congratulate DAVID PRYOR on his excellent recovery from a frightening brush with heart disease. His experience, as he recounted it himself, reminds all of us that good health is beyond price. His story has made us all aware of how easily good health can be compromised and how precious it is to the quality of our lives.

As the Senate now looks to the weeks of work ahead before the first session of the 102d Congress adjourns, we face the prospect of long sessions, many votes, and potentially divisive debates.

We should all recognize that we have the ability by our own actions and our own decisions to determine the extent of stress to which we will subject ourselves and our colleagues.

We can fully discharge our responsibilities to the Nation without forcing ourselves or our colleagues to place at risk their health and to shortchange their families. That is something within the ability of each Senator to do, and I hope that DAVID PRYOR'S return will serve as a constant incentive for all of us to work with efficiency and dispatch to conclude the legislative tasks that remain.

In the meantime, on behalf of his colleagues, who are also—each and every Member of the Senate—his good friends, I am pleased to welcome DAVID PRYOR back to the Senate. We have missed his counsel and his contribution in the past 5 months. I know we will benefit from both in the future, and we are grateful that he has been spared to return to his seat in the Senate and the friendship of his colleagues.

THE SOVIET UNION

Mr. MITCHELL. Mr. President, since we last convened in August, remarkable events have occurred in the Soviet Union. The Soviet people's rejection of the coup in Moscow was a historic event.

It was catalyzed by a handful of inspiring leaders—Yeltsin, Sobchak, Popov—supported by a significant element of the Soviet military, and achieved by tens of thousands of ordinary and courageous people.

The restoration of Soviet constitutional authority and return to the path of reform—the most stunning example of popular will ever demonstrated in the Soviet Union—deserves a prominent place not simply in their history, but in the history of the 20th century.

Their triumph testifies to the universal longing for freedom and democracy.

Their actions can only reinforce the determination of those individuals—in Cuba, in China—who have yet to realize their right to choose their own governments and determine their own futures.

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

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So, too, does the triumph of popular will in the Soviet Union reaffirm our own appreciation of our precious liberties.

The sobering chill of the attempted coup laid bare the magnitude of what is at stake for the West as the Soviet Union attempts to transform itself into a democracy.

During the first day of the putsch, the possibility of a new international order, a new era of cooperation and peace, suddenly seemed doomed.

A renewed cold war, a new arms race, the intensification of proxy conflict, a stalemated United Nations, and the return of ideological foreign policy seemed unavoidable.

It could have been a moment of despair for the West.

The reversal of the coup now allows us to move swiftly, with renewed vigor, to help strengthen and make irreversible the forces of change in what was once the Union of Soviet Socialist Republics.

There remain inherent limits on our ability to assist this process.

First and foremost, the course of the Soviet Union must be charted by the people of the various Republics themselves. We cannot define their goals. Our energies are no substitute for their own. Our best hopes cannot realize their objectives.

They and they alone will define and determine their future.

The United States wants to assist the Soviet people achieve democracy and a free-market economy. It obviously is in our interest to do so.

But I do not believe that the United States should provide significant financial assistance to the Soviet people unless they demonstrate their commitment to democratization and a free market. The most pressing challenge is for the Baltic States, the various republics and the reconfigured central government to implement painful but crucial far-reaching economic reforms. Otherwise, no amount of outside assistance can revitalize the economy and stabilize the future of democracy.

I also believe that the United States should not provide direct financial assistance unless Soviet governmental authorities drastically reduce their investment in the weapons of war—particularly the strategic nuclear arsenal that becomes increasingly academic as the United States and Soviet Union enhance their ties.

The United States, facing its own internal economic problems, cannot subsidize Soviet military expenditures. Both America and the Soviet Union should be reducing their defense spending. It is time to adjust our defense budgets to the new realities of Soviet-American relations.

I remain hopeful that the Soviet Union will take the necessary steps to make outside assistance practical. There is much we can do, applying the model of Western assistance to Eastern Europe: Establish a currency stabilization fund, expand investment guarantees and commodity credits, provide private enterprise funds, increase technical training programs, assist with defense conversion and environmental cleanup efforts, and move swiftly to provide most-favored-nation trading status.

Some assistance will be best provided directly to the Republics and the Baltic States; some may appropriately go through the central government. This will depend upon the ultimate division of responsibilities between the center and the Republics.

Much of the Western assistance should be provided through multilateral institutions. The World Bank and the IMF can play a critical role in helping to implement economic reforms, and now is the time to fully utilize the newly created European Bank for Reconstruction and Development.

While it is useful to discuss ways in which the West can help institutionalize the transformation of the Soviet Union, the Soviet and Baltic people face an immediate threat: the lack of food, medicine, and other essential supplies.

This year, the Soviet economy is predicted to decline by 17 percent and the harvest is anticipated to be 25 percent smaller than last year.

There is a real possibility of starvation in the Soviet Union this winter.

The West cannot allow this to be the Soviet peoples' reward for rejecting the coup and thwarting a return to communism.

Yet the Western nations, including the United States, have done little to assuage the fears of the Soviet people.

Together with our G–7 partners, or alone if need be, the United States should make our intentions to help the Soviet people receive the food and humanitarian help they need to survive the coming winter.

We have grain and medical supplies. We have the ability to deliver the necessary items. Our humanitarian tradition and our own self-interest dictate that we will rise to the occasion and help avert starvation in the Soviet Union.

We should plainly state our willingness to do so, and work with our allies to make all the necessary arrangements now.

But we must never lose sight of the fact that our first responsibility is to the people of the United States. That is what must take priority in the coming weeks as we seek to wind up the 1st session of the 102d Congress.

We have made a good start: The Senate completed action on the crime bill, the highway legislation, seven of the regular appropriations bills for the coming fiscal year, the Defense Department authorization, campaign finance reform legislation among other important matters.

But a great deal remains to be done.

Most urgently, we must address again the plight of jobless workers whose unemployment benefits have expired.

Although the President signed the bill providing for extended benefits, he says the situation is not serious enough for him to declare an emergency so the benefits can be paid.

But when more than 2 million working people cannot find jobs and have exhausted their unemployment insurance, we say that is as much an emergency as the foreign aid emergencies President Bush has seen fit to finance.

So we must make another effort to bring the plight of working Americans to the President's attention.

Dramatic events overseas do not change the fundamental fact that the health and well-being of our own Nation depends directly on the health and well-being of the middle-income families of America.

It is on that well-being I intend to focus. We must begin to address seriously the erosion of average Americans' incomes that has been caused by higher taxes, despite a decade of tax-cutting rhetoric.

We remain the only industrialized country in the modern world which does not extend basic health care to all its people. The spiraling cost of care and the gaping holes in the health insurance safety net threaten families with economic disaster in the case of accident or serious illness.

We hope to move forward and take up legislation to correct that problem. No American should have to fear that illness will cost the family its economic security.

The economic security of our Nation rests on the ability of Americans to produce goods and services in the future that can compete with the products of other nations in a world marketplace. The only thing that can guarantee our future economic security is a high-quality system of education.

We will conclude action on the elementary and secondary education bill introduced at the beginning of the session. The bill will provide both the resources needed to improve education and the accountability to make sure the resources are wisely spent. We need more than speeches about the goals of the year 2000. We need a way to reach those goals.

In addition, of course, we must conclude work on the routine annual appropriations before the beginning of the fiscal year. We will deal with the confirmation of a new Supreme Court Justice and a new head for the Central Intelligence Agency.

We face veto threats over the notorious gag rule, even though the Nation's medical community universally agrees that it must be revised.

In addition, we hope to act on energy legislation, civil rights legislation,

cable television legislation, parental leave legislation as well as concluding conference work on such important items as the crime bill and the highway measure.

We have a full plate before us. The Senate will be in working session 5 days each week and there will be votes scheduled throughout the 5 days of work.

With the cooperation and consideration of all Senators, I hope we can debate fairly and thoroughly on those issues and vote on them, and where significant differences divide us debate those differences in a forthright and civil manner and then move promptly once the Senate reaches agreement.

The changes occurring abroad cannot distract us from the vital issues facing Americans at home. I intend to put the priorities of Americans first in the remainder of the 102d Congress.

RECOGNITION OF THE REPUBLICAN LEADER

The PRESIDENT pro tempore. The time of the leader has expired.

The Republican leader is recognized under the standing order.

SENATORS PRYOR AND STEVENS

Mr. DOLE. Mr. President, first I wish to join my majority leader in welcoming back Senator DAVID PRYOR. I also note on the floor my friend from Alaska, Senator STEVENS, who has undergone a rather serious operation during the recess and he is back hale and hearty and ready to work. I will be making further statement with reference to Senator PRYOR later today.

CONGRESS RETURNS TO FACE THE DOMESTIC AGENDA

Mr. DOLE. Mr. President, a lot has happened in the world since we last met here. But despite the earth-shattering changes in the Soviet Union, there is plenty of work left for us to do. The American people expect us to get busy, and so does President Bush.

I do not need a calendar to know that 1992 is around the corner. No doubt, we will hear a lot of talk this fall about the domestic agenda—who has one and who does not. Much to the disappointment of his critics, President Bush has a domestic agenda. It is the domestic agenda the people elected George Bush to implement in the 1988 landslide. The fact is, his opponents do not like it because it is not their agenda. It is standard political spin to bash the President—but that is not why we are here.

BIPARTISAN COOPERATION

Let us face it, the only way any domestic agenda will be enacted is with bipartisan cooperation. We may share many of the same goals, but we often disagree on how to achieve them. And we have to face reality, and start listening to the taxpayers for a change—we do not have any money to start new, freewheeling spending programs. And under our budget agreement, any programs we do start have to be paid for.

PAYING FOR PROGRAMS

We are all sympathetic to the plight of the unemployed—one person out of work is one too many. But even the New York Times—not exactly a Republican newsletter—characterizes the Democrats' latest unemployment solution as a legislative hoax. I had a plan last month, too, that would have paid for itself, and would have been signed into law by President Bush—a fact conveniently ignored by the President's critics.

I also see where the Democrats may hatch some more soak the rich schemes. They may sound good, but we have seen the impact of the so-called fairness of the luxury tax implemented by the Democrats last year—pink slips all the way from aircraft and boat manufacturers, to car dealers and small-town jewelry shop owners. They said they were giving the middle class a helping hand by taxing the rich—instead, that hand pointed them to the unemployment line.

I expect we will see no shortage of efforts to slash defense spending to pay for a laundry list of big spending programs. But if the incredible turn of events in the Soviet Union taught us anything, it's that the only certainty is uncertainty. And if you ask me, uncertainty in the nuclear world and unilateral disarmament just do not mix.

HEALTH CARE: THE PEOPLE'S NO. 1 PRIORITY

We all agree that health care is a national priority. I spent the recess traveling to every corner of my State, and every place I went, health care was the No. 1 issue, followed closely by the Federal deficit. But there are not any easy answers to the health care dilemma. It will take creative thinking, courage—and yes, a way to pay for it.

These are just some of the challenges facing us for the rest of the year.

On this side of the aisle, we are ready to cooperate to implement a responsible, realistic agenda, not some political agenda. And when we are done, we should adjourn, go home and listen to the people again.

Let us get 1991 done before we start 1992.

OPENING OF THOMAS HEARINGS

Mr. DOLE. Mr. President, the Senate returns to Washington today with a bang. Over in the Judiciary it is lights, camera, action as the curtain goes up on the confirmation hearings on the nomination of Clarence Thomas to the Supreme Court.

The great Will Rogers once said that Senate hearings "have always contributed more to amusement than they have to knowledge." Fifty years later, Rogers words ring more true than ever.

I have been in this body long enough to witness a complete reversal in the rules of confirmation hearings. It was not all that long ago when the Senate was comfortable basing their vote on the experience, the ability, and the character of the nominee.

The hearings were usually fast and efficient, but they were not very good theater.

All that has changed. Through no fault of Judge Thomas, the hearings which open today are the hottest show in town.

Those opposed to Judge Thomas quickly realized that, as the ABA has concluded, Judge Thomas is qualified to sit on the Court. They realized that he is a man of exceptional ability. He possesses a brilliant intellect, and has excelled in every position in which he has served. They realized that his character is second to none—a character forged in a childhood of poverty in the segregated South.

And they realized that Judge Thomas' life and record were examined by the Senate when he was nominated as Chairman of the EEOC, when he was renominated for a second term, and when he was nominated for his current position as judge on the D.C. Circuit Court of Appeals. On each occasion, Judge Thomas was overwhelmingly confirmed.

Given the fact that Judge Thomas does have the experience, the ability, and the character to serve on the Court, those opposed to his nomination turned elsewhere.

Throughout much of August, committee staffers were digging under every rock, investigating every nook and cranny of Judge Thomas' life. A detailed analysis of his background has appeared in nearly every paper in the country. A bevy of so-called liberal scholars and politically correct intellectuals have examined every word spoken or written by Judge Thomas, as well as applying 20/20 hindsight to every decision he made in his professional life, and issued their opinion that he is too conservative, or too insensitive.

And perhaps most disturbingly, some members of the committee are promising that they will pin Judge Thomas down on his opinions on issues which may come before the Court.

The implied threat is that if his answers are not the correct ones, then he will not be confirmed.

As I have said before, this litmus-test approach has been rejected by anyone who is serious about maintaining the independence of the Federal judiciary.

As former Chief Justice Warren Burger recently said:

> No nominee worthy of confirmation will allow his or her position to become fixed before the issues are fully defined * * * Before

the Supreme Court with all the nuances that accompany a constitutional case. Presidents and legislators have always had platforms and agendas, but for judges, the only agenda should be the Constitution, and laws agreeable with the Constitution.

It is my hope, Mr. President, that Chief Justice Burger's words will be remembered, and that the goal of Chairman BIDEN and the Judiciary Committee will be good government, and not good theater.

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

Mr. RIEGLE addressed the Chair.

The PRESIDENT pro tempore. The Senator from Michigan.

EXTENSION OF MORNING BUSINESS

Mr. RIEGLE. Mr. President, the majority leader has indicated he has no objection to extension of time beyond 10 o'clock.

I, therefore, ask unanimous consent to be able to speak in morning business for 10 minutes.

The PRESIDENT pro tempore. Does the Senator ask to speak for 10 minutes, or does he ask that morning business be extended 10 minutes beyond the hour of 10 o'clock?

Mr. RIEGLE. I ask unanimous consent that it be extended beyond the hour of 10 o'clock. Perhaps also to accommodate the Senator from New York, if he wishes then to speak as well, I ask unanimous consent it be extended until 10:10 so I might have 10 minutes in which to speak.

Mr. STEVENS. Reserving the right to object, Mr. President.

Mr. RIEGLE. I am advised it will be better to make it the hour of 10:30 because other Senators also wish to speak.

The PRESIDENT pro tempore. Is there objection to extending morning business until the hour of 10:30 a.m.? The Chair hears no objection. It is so ordered.

Is there objection to the Senator from Michigan seeking 10 minutes? The Chair hears no objection. The Senator from Michigan [Mr. RIEGLE] is recognized for 10 minutes.

WELCOME BACK, CONGRATULATIONS, AND SUPREME COURT NOMINEES

Mr. RIEGLE. I thank the Chair and my colleagues. Mr. President, I want to touch on two or three points that have been made before I go to the thrust of what I rise to speak to this morning.

First, I want to also welcome back our colleague DAVID PRYOR. We are all delighted that his return to good health lets him come back to the Senate today.

I also want to, at least in passing, acknowledge and congratulate the Baltic States on their achievement of independence. It is a tremendous breakthrough for the ideals of freedom throughout the world after 51 years of captivity, their courage and strength in standing up to the Soviet Union. And those around the world, some here who stood with them during that time, I think have much to celebrate.

Finally, I want to say also on the Thomas nomination which was just referred to by the Republican leader, what has not been contained in all of the news stories that I have seen is the fact that if Mr. Thomas—and I have not made a decision one way or the other on this nominee and will not until the hearings have concluded—but if this nominee serves to the same age as Thurgood Marshall, the man that he has been named to replace, he will serve on the Court until the year 2030.

Of course, with Supreme Court nominees, like other Federal judges, once they are appointed, they are appointed for life. So this is a very important decision that we are making that is going to affect this country for decades into the future, probably beyond the lifetime of anyone now serving in the Senate. So the year 2030 out there is one of the benchmarks that I think we have to have in mind.

Also, the Supreme Court is composed of only 9 people, 9 out of a nation of 250 million people. So I would think that for each nominee, not just this nominee, but those before and those yet to come, that we would use the very highest measuring sticks in terms of qualifications and relevance of their background to the job in deciding who should or should not serve on that Court. This is particularly important given the momentous meaning of the issues there and the time into the future, as I have just cited, over which those decisions are likely to be made.

THE DOMESTIC ECONOMY

Mr. RIEGLE. Mr. President, let me move to the issue I came to talk about this morning, and that is the domestic economy. Like other Senators, I have crisscrossed my State during the recess and I have talked with people around the country. By every measure, our country today is in deep and serious economic trouble. Frankly, our Government has no plan either to recognize the problem or to respond to it, and that is just not acceptable. We have people all across the country who have lost their jobs, working part time in the last 2 months. The official data indicates we have had 700,000 Americans unemployed who finally have stopped looking for work because they have not been able to find it.

Yes, reference was made to the fact we passed an unemployment compensation extension bill, an emergency bill for benefits before the recess. The President decided not to let that take effect. There are 170,000 people in my State and their families who would be drawing those benefits had the President allowed that legislation to go into effect. They are not getting it. Yet, they need it. There is $8 billion sitting in the national unemployment trust fund, the extended benefits trust fund created for precisely that purpose. That is true for people across the country.

I would like to run through a series of news stories just in the last week. Here is one from the front of the Detroit Free Press. The headline on this story is, "Jobs Vanish in Northern Michigan. Boyne City Plant to Lay Off 289 Workers." The story is about a United Technology plant that is closing up there. These are not temporary layoffs; these are permanent job losses.

It points out that in that region of our State, in the first 7 months of 1991, three counties, Charlevoix, Emmet, and Antrim Counties—these are northern Michigan, not the big manufacturing centers like Detroit, Flint, and Pontiac—these three counties have lost 7 percent of their manufacturing jobs already this year. Those are permanent job losses.

One of the people in the area was commenting on this, and I just want to read the comment into the RECORD.

This one particular man said that slow new-car sales have forced the company to consolidate operations. Some of the work will go to the United Tech plant in Mexico.

You might remember that there is a big push to get into a free trade agreement with Mexico. We can send a lot more American jobs down to Mexico. The next thing we are going to hear is talk from our Government that the American workers probably ought to go down to Mexico to get these jobs that are going down there.

The story goes on to say—another person is commenting here—

> Most of our jobs are going to England, to Japan, and everywhere else. Right now, the trend is to Mexico. Free trade is hurting our businesses. You don't know what you're getting when you see a label that says "Made in U.S.A." I heard there's a town in Japan that renamed itself "U.S.A."

Here is another story, also out of the Detroit Free Press, on restaurants closing in Detroit. This is the trickle-down effect of the loss of jobs throughout the manufacturing base. Company after company is closing in our States. Bankruptcies are at an all-time high. There was a story yesterday to the effect that home mortgages are in arrears in more cases than we have seen in a long, long time.

Then, in the Wall Street Journal, an article titled "Sales of Cars Stayed in Slump in Late August," talking about the serious problems here. Lansing State Journal, "Spending Slump Hits Big Retailers—Again." It talks about how the companies like K mart and the rest who sell at the retail level are seeing low sales levels.

Then, a story from the Associated Press, "Economic Numbers Are Looking Weak." Then there is a story about a single parent in Michigan, Cynthia Fyfe, 36 years old. She is working just above the minimum wage, has 3,000 dollars' worth of accumulated medical bills she cannot pay. I want you to take a look at this little boy in the picture with her, her 6-year-old son Anthony, who does not have a penny of health insurance because she cannot provide it because she is working and the little bit of health insurance she has does not cover him. There is no plan in this country to cover them.

So when I hear talk from that side of the aisle about having a health care plan, we have put a health care plan forward. It is on the table today, cosponsored by four of us on this side of the aisle. I want to see a plan. I spoke to the President the other day about this. I talked to him about a young woman who testified at one of our hearings, Cheryl Eichler, 28 years old, who had Crohn's disease. She was dead 6 months later because she did not get the help she needed.

How about a little health care for our people, in addition to extended unemployment compensation benefits? What about this little fellow? We have a million people in my State today without any health insurance. Yes there is a lot of concentration on the problem all around the world. We see that this administration has a plan for every country in the world except this one. No economic plan for America. No health care plan for America. And our people are hurting. Our economy is in trouble.

I hope the Federal Reserve this week will pay attention to it, because we need lower interest rates to help. But that alone will not do it because we need an economic plan of a much broader scale to deal with these changes in the global economy. It does not just mean going into a free trade agreement with Mexico and sending all our jobs south of the border to 50 cents an hour labor. That is not the answer.

So I want to hear something about domestic policy and about jobs in this country. This woman is working. She is working every single day. She just cannot make enough money to pay her own medical bills, let alone provide a penny of coverage for her son. It is not right, because that is America's child just as much as it is her child. She should not have to lie awake at night worrying about it, as millions and millions and millions of other people in this country are doing.

The estimates are 37 million people in this country are without health care, without a penny of health-care insurance. If the health-care insurance disappeared today for the President, his family, the Cabinet, we in the Senate, Members of Congress, how long would it take before there would be a plan up here to put the health insurance plan in place? A few hours? Probably. A day or two? There would be a plan here.

Well, what about a plan for this young boy? Does he count? Does he count in America today? I do not see any sign that the administrative branch of our Government feels that this young fellow does count. He does not count. He is off the radar screen. He does not figure high enough on the scale of priorities and values in this country to do something in his behalf, and yet take a look at it, because that is the face of the future of this country.

So it is time to get busy on these things. It is not enough just to have a plan for every other country in the world and no plan for America. The President and the executive branch of Government and the Congress have an obligation to put in place an economic recovery plan for America to get our people back to work, to get this engine going. People want to work, and they want to provide for themselves, but they cannot if there are not enough jobs to go around.

So there is a deep and serious problem. This is not a self-correcting problem. This is a problem that requires a new strategy and a recognition of what is going on in America.

The PRESIDENT pro tempore. The Senator's time has expired.

Mr. RIEGLE. Mr. President, I ask unanimous consent to insert these articles in the RECORD. I thank the Chair.

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

[From the Detroit News, Sept. 5, 1991]

SHE CAN'T PAY HER BIG MEDICAL BILLS

(By Christopher M. Singer)

Cynthia Fyfe owes nearly $3,000 in medical bills that she can't pay.

For two years, the 36-year-old Westland woman has suffered from a neurological disorder called "pseudo tumor cerebi." She has the same symptoms as someone with a brain tumor but does not actually have a tumor.

Fyfe explained what happens: Spinal fluid collects inside her skull, puts pressure on the brain and causes severe headaches, dizziness and loss of vision. The most effective treatment is a spinal tap to drain the excess spinal fluid.

"I get headaches that won't go away," she said. "My vision gets blurred. It's mainly behind the right eye."

Fyfe has been hospitalized four times since being diagnosed with the disorder, most recently in June. And that left her $2,700 in debt.

She's been employed as a medical assistant at a Dearborn medical center since May and said she earns $200 a week. She added she has been covered by medical insurance since Aug. 1. Fyfe qualified for medical insurance only after completing a 90-day probation period.

Fyfe said she became ill at work on June 25. She was taken by ambulance to Garden City Hospital. She was transferred, again by ambulance, to William Beaumont Hospital in Royal Oak for a CAT scan, then brought back, by ambulance, to Garden City.

Fyfe explained that each time she has an episode, a CAT scan must be done to make certain she does not really have a brain tumor.

Tests and treatment ran the total bill up to $2,701 for two days.

Fyfe said doctors don't know what causes the disorder and can't predict what will happen in the future.

"The worst thing that can happen is, I could go blind," she said.

Fyfe grew up in Detroit and graduated from the old Detroit St. Andrew Catholic High School near Livernois and I-94.

She's divorced and has a 6-year-old son, Anthony. She said she no longer receives $55 a week in child support because the boy's father lost his job.

Fyfe and her son live in a mobile home park near Metropolitan Airport. She pays $266 a month on the mobile home and $295 a month lot rent.

She owns a 1976 Ford LTD with 82,000 miles that "barely runs," she said.

At the time she bought her home, Fyfe explained, she operated her own janitorial service with a contract to do cleaning at the airport. But she lost her contract, she added, when another firm was able to underbid her. She went out of business and wound up employed as a supervisor for another janitorial service.

Actually, Fyfe added, she was working three jobs at once, trying to pay debts, including a $3,000 federal tax bill from her defunct company. She also cleaned a restaurant and worked part-time in housekeeping at a hospital. She did manage to pay off, after four years, the big tax bill. Now she has the big medical bill.

After she became ill, Fyfe had to cut back on her extra jobs.

But she has been accepted for classes at Schoolcraft College and hopes to become a licensed practical nurse.

Fyfe said she has never received public assistance. She would like to have Anthony covered by Medicaid because it would cost her $200 a month to have Anthony added to her medical insurance.

"As far as help from the family, I don't have it," Fyfe said.

She explained her parents are retirees with a fixed income.

SPENDING SLUMP HITS BIG RETAILERS—AGAIN

(By Joyce M. Rosenberg)

The consumer spending slump pummeled many retailers again last month, signaling more trouble for the health of the economy.

Many analysts say a consumer spending rebound is vital for a decisive exit from the recession. Such spending accounts for two-thirds of the gross national product, the broadest measure of economic activity.

As in the past months, discounters such as Wal-Mart Stores Inc. fared better than other merchants as consumers sought lower prices. But even sales at Wal-Mart, the nation's largest retailers, were off slightly, said Thursday's report.

Retailers had hoped for a better showing, since last month's results were compared with August 1990, when consumers, traumatized by the beginning of the Persian Gulf crisis and soaring gasoline prices, fled from the stores.

But the industry's results "were dismal and below budget and reflected the general concern about the economy," said Jeffrey Feiner, analyst with Merrill Lynch & Co.

Although it was the back-to-school shopping season, several retailers said sales at established stores—a key barometer of their

performance—were little changed or fell relative to last year's anemic results.

Sandra Shaber, an economist with Futures Group, a Washington forecasting concern, said of current conditions, "They're going to hold consumer spending down.

"The job market, both in terms of hiring and in terms of wages, is much slower to recover than in past recoveries. With more Americans out of work or taking home smaller paychecks, consumers have less money to spend on clothes, furniture and appliances, the bread and butter of many retailers."

Wal-Mart said sales at stores open at least a year rose 10 percent, a smaller gain than the 13 percent rise Wal-Mart had posted in July. Overall sales rose 35 percent.

Analysts and investors say sales from stores open at least a year—known as same-store or comparable store sales—provide a more accurate assessment of a retailer's performance than overall sales.

Discounter K mart Corp. said same-store sales were up 2.9 percent, but that was still down from its recent pace. K mart said overall sales rose 8 percent.

Dayton-Hudson Corp. reported a 3.5 percent same-store sales gain, a better showing than in recent months, and an 8.4 percent rise overall. Dayton-Hudson said same-store results at its Target discount stores were up a healthy 6 percent.

Limited Inc. reported an overall sales gain of 12 percent.

Gap fared much better with a 21 percent same-store gain and a 42 percent rise overall.

Sears said same-store sales fell 2.9 percent, while overall sales fell 2.5 percent. Penney had a 5.3 percent drop in same-store results, and a 3.9 percent overall slide.

[From the Wall Street Journal]

SALES OF CARS STAYED IN SLUMP IN LATE AUGUST

EARLY-SUMMER HOPES FADE AS DEALERS SAY REBATES CAN'T EASE LACK OF CASH

(By Bradley A. Stertz and Joseph B. White)

DETROIT.—Car sales continued their slump in late August, capping a month that saw the auto industry lose momentum amid the nation's spotty economic recovery.

U.S.-built cars sold in late August at a seasonally adjusted annual rate of 6.1 million vehicles, down from a 6.3 million-vehicle pace in the previous 30 days. The Aug. 21–Aug. 31 sales pace was only fractionally ahead of the pace set in mid-August, and was much worse than the 7.2 million-vehicle selling rate from a year earlier.

For the entire month of August, domestic cars sold at a 6.1 million vehicle annual pace, while imported cars sold at a seasonally adjusted rate of 2.1 million vehicles.

The poor August showing dismayed some auto executives and car dealers, who had hoped improved sales earlier this summer signaled the end of their extended slump. "Despite hefty and widespread rebates and incentives, consumers simply don't have the money to take advantage of the deals," said a glum Tom Webb, chief economist for the National Automobile Dealers Association.

But other auto officials said the sluggish August sales weren't a true indicator of consumer attitudes. "Sales in August were weak, no question," said Allan D. Gilmour, a Ford Motor Co. executive vice president and president of the auto maker's automotive group. "But I don't read anything into that except that fleet buying was weak. As best we can tell, retail demand isn't down."

Some car dealers said they lost sales in August because production cutbacks earlier this year left them without a full range of cars to sell. Frank Ursomarso, a Wilmington, Del., dealer of General Motors Corp.'s Pontiac, said he lost about 12 sales on the midsized Grand Prix because inventories are so low. Altogether, he now has fewer than 50 cars on his lot.

"I HAVE NOTHING TO SELL"

"I have nothing to sell," he said "Sales aren't reflecting demand, because there just isn't a lot of merchandise on hand for dealers to move."

GM President Lloyd E. Reuss said last week that GM's new-car inventories are at their lowest level in 20 years. The No. 1 auto maker plans to boost production in the fourth quarter to rebuild stocks, he said.

But with overall car and light truck sales in August down 10.9% from a year ago, GM and Ford took the brunt of the decline. Japanese auto makers, led by Honda Motor Co. and Nissan Motor Corp., did relatively better and boosted their share of the total U.S. car and truck market to 30% in August. Japanese brands took 35% of the passenger car market in the month.

GM MARKET SHARE SHRINKS

GM saw its share of the U.S. car market shrink to 31.9% from 32.2% a year earlier, as sales of its cars fell 13.2% in the month. GM is launching eight drastically restyled models this summer and fall in a major bid to regain share. But so far, only limited numbers of the new cars have hit showrooms.

Ford, meanwhile, saw its share of the total car and truck market in August fall to 22.5% from 23.6%. Sales of Ford cars fell 15.7%, while Ford truck sales were off 14.2%

Chrysler Corp.'s car sales skidded 23.2% in the month, but the No. 3 U.S. auto maker's trucks, mainly minivans and jeeps, managed a 7.5% gain in the falling market. As a result, Chrysler boosted its share of the total light vehicle market to 10.8% in August from 10.6% a year earlier.

In passenger cars, however, Chrysler ranked fifth at 7.3%, trailing Honda at 11.6% and Toyota Motor Corp. at 10.4%.

Most of the major European auto makers continued to struggle during August. Porsche AG, which last week announced cutbacks in its U.S. staff, sold just 307 cars in the U.S. during the month, down 53% from a weak year-earlier period. Bayerische Motoren Werke AG, however, held sales flat with a year ago, while Saab, which is 50% owned by GM, improved sales 1.9% in the month.

PERCENTAGE OF TOTAL U.S. CAR MARKET

Make	August 1991	August 1990	8 mo. 1991	8 mo. 1990
General Motors [1]	31.9	32.2	35.8	35.7
Ford [1]	19.3	20.1	19.8	20.9
Chrysler [1]	7.3	8.4	8.2	8.8
Toyota [1]	10.4	11.0	8.9	8.3
Honda [1]	11.6	9.9	9.7	9.2
Nissan [1]	5.9	5.3	5.0	4.8
Mazda [1]	3.7	3.5	3.5	3.0
Hyundai	1.9	1.6	1.3	1.4
Mitsubishi [1]	1.9	1.3	2.1	1.8
Subaru [1]	1.2	1.5	1.3	1.1
Suzuki [1]	.1	.1	.1	.1
Other Imports	4.6	5.1	4.2	4.9
Total Japanese nameplate	35	33	31	28
Total European nameplate	5	5	4	5

[1] Includes imported and domestically made models.

RETAIL U.S. CAR AND LIGHT TRUCK SALES [1]

	1991 Aug. 21–31	1990 Aug. 21–31	Percent change [2]
GM total vehicles	141,551	165,945	−14.7
Domestic car	87,589	105,306	−16.8

RETAIL U.S. CAR AND LIGHT TRUCK SALES [1]—Continued

	1991 Aug. 21–31	1990 Aug. 21–31	Percent change [2]
Imported car	5,003	5,599	−10.6
Total car	92,592	110,905	−16.5
Domestic truck	48,849	54,909	−11.0
Imported truck	110	131	−16.0
Total truck	48,959	55,040	−11.0
Ford total vehicles	97,813	111,831	−12.5
Domestic car	51,467	62,829	−18.1
Imported car	2,045	2,324	−12.0
Total car	53,512	65,153	−17.9
Domestic truck	44,301	46,678	−5.1
Chrysler total vehicles	49,489	53,095	−6.8
Domestic car	[3] 16,835	27,549	−38.9
Imported car	[3] 3,109	2,171	+43.2
Total car	19,944	29,720	−32.9
Domestic truck	[3] 29,411	23,072	+27.5
Imported truck	[3] 134	303	−55.8
Total truck	29,545	23,375	+26.4
Honda total vehicles	38,919	41,670	−6.6
Domestic car	26,450	25,224	+4.9
Imported car	12,469	16,446	−24.2
Toyota total vehicles	55,615	63,424	−12.3
Domestic car	22,483	22,781	−1.3
Imported car	16,850	23,834	−29.3
Total car	39,333	46,615	−15.6
Imported truck	16,282	16,809	−3.1
Nissan total vehicles	11,225	12,124	−7.4
Domestic car	4,524	5,484	−17.5
Domestic truck	6,701	6,640	+.9
Mazda total vehicles	4,527	5,057	−10.5
Domestic car	3,730	5,057	−26.2
Domestic truck	797	.....	.....
Mitsubishi [4]	2,711	1,896	+43.0
Subaru domestic car	2,050	1,115	+83.9
Isuzu domestic truck	1,831	1,223	+49.7
Total cars	257,315	307,615	−16.4
Domestic	217,839	257,241	−15.3
Imported	39,476	50,374	−21.6
Total trucks	148,416	149,765	−.9
Domestic	131,890	132,522	−.5
Imported	16,526	17,243	−4.2
Total domestic vehicles	349,729	389,763	−10.3
Total vehicles	405,731	457,380	−11.3

[1] Totals include only vehicle sales reported in the period.
[2] There were 10 selling days in the most recent period and 10 a year earlier. Percentage differences based on daily sales rate rather than sales volume.
[3] Estimated.
[4] Domestic car.

RETAIL U.S. CAR AND LIGHT TRUCK SALES [1]

	1991 Aug.	1990 Aug.	Percent change month	1991 to date	1990 to date
General Motors	341,611	395,185	−13.6	2,968,427	3,455,371
Domestic car	208,235	241,014	−13.6	1,918,846	2,174,679
Import car	13,312	14,114	−5.7	93,753	130,453
Total car	221,547	255,128	−13.2	2,012,599	2,305,132
Domestic truck	119,776	139,794	−14.3	954,507	1,148,114
Import truck	288	263	+9.5	1,321	2,125
Total truck	120,064	140,057	−14.3	955,828	1,150,239
Ford	235,178	276,909	−15.1	1,919,107	2,318,973
Domestic car	129,755	153,604	−15.5	1,077,845	1,303,076
Import car	4,675	5,865	−20.3	38,954	44,987
Total car	134,430	159,469	−15.7	1,116,799	1,348,063
Domestic truck	100,748	117,440	−14.2	802,308	970,910
Chrysler	113,489	124,504	−8.8	1,004,347	1,166,339
Domestic car	44,135	61,027	−27.7	416,312	525,053
Import car	6,734	5,249	+28.3	44,375	43,004
Total car	50,869	66,276	−23.2	460,687	568,057
Domestic truck	62,336	57,480	+8.4	540,809	588,894
Import truck	284	748	−62.0	2,851	9,388

RETAIL U.S. CAR AND LIGHT TRUCK SALES [1]—Continued

	1991 Aug.	1990 Aug.	Percent change month	1991 to date	1990 to date
Total truck	62,620	58,228	+7.5	543,660	598,282
Toyota	101,046	119,117	−15.2	682,858	729,272
Domestic car	39,820	41,798	−4.7	232,763	245,083
Import car	32,326	45,087	−28.3	267,947	294,156
Total car	72,146	86,885	−17.0	500,710	539,239
Import truck	28,900	32,232	−10.3	182,148	190,033
Honda	80,941	78,069	+3.7	546,916	593,508
Domestic car	53,678	45,164	+18.9	331,529	327,535
Import car	27,263	32,905	−17.1	215,387	265,973
Nissan	57,208	57,772	−1.0	394,857	424,267
Domestic car	8,470	10,581	−20.0	80,493	68,490
Import car	32,745	31,254	+4.8	200,817	241,687
Total car	41,215	41,835	−1.5	281,310	310,177
Domestic truck	12,559	12,632	−.6	88,181	91,722
Import truck	3,434	3,305	+3.9	25,366	22,368
Total truck	15,993	15,937	+.4	113,547	114,090
Mazda	35,360	34,772	+1.7	247,367	248,851
Domestic car	6,365	9,341	−31.9	60,065	52,481
Import car	19,558	18,568	+5.3	138,262	138,598
Total car	25,923	27,909	−7.1	198,327	191,079
Domestic truck	1,376	.....	.....	7,249	.....
Import truck	8,061	6,863	+17.5	41,791	57,772
Total truck	9,437	6,863	+37.5	49,040	57,772
Hyundai	13,406	12,879	+4.1	70,496	93,421
Mitsubishi	15,224	12,472	+22.1	130,169	139,390
Domestic car	6,260	3,907	+60.2	50,914	34,699
Import car	7,096	6,055	+17.2	65,985	82,818
Total car	13,356	9,962	+34.1	116,899	117,517
Import Truck	1,868	2,510	−25.6	13,270	21,873
Subaru	8,039	11,757	−31.6	73,883	73,176
Domestic car	3,975	2,315	+71.7	34,197	7,226
Import car	4,064	9,442	−57.0	39,686	65,950
Volkswagon	8,972	12,206	−26.5	66,260	95,823
Import car	8,493	11,563	−26.6	65,573	90,813
Import truck	479	643	−25.5	687	5,010
Isuzu	10,556	8,003	+31.9	76,259	72,218
Import car	1,108	437	+153.5	9,308	2,633
Domestic truck	3,602	1,996	+80.5	28,190	10,003
Import truck	5,846	5,570	+5.0	38,761	59,582
Total truck	9,448	7,566	+24.9	66,951	69,585
Volvo [2]	6,282	8,469	−25.8	50,989	64,646
Mercedes [2]	4,985	6,203	−19.6	37,860	48,029
BMW [2]	5,154	5,152	+0.0	33,570	40,896
Suzuki	1,786	1,530	+16.7	15,162	14,482
Domestic car	83	.....	.....	528	.....
Import car	401	668	−40.0	3,071	4,358
Total car	484	668	27.5	3,599	4,358
Domestic Truck	248	248	.....	2,428	2,568
Import Truck	1,054	614	+71.7	9,135	7,556
Total Truck	1,302	862	+51.0	11,563	10,124
Saab [2]	2,412	2,368	+1.9	18,247	19,142
Audi [2]	829	1,848	−55.1	7,831	14,456
Jaguar [2]	1,237	1,509	−18.0	6,412	12,369
Daihatsu [2]	719	1,615	−55.5	5,956	11,166
Import car	485	1,106	−56.1	3,877	7,807
Import Truck	234	509	−54.0	2,079	3,359
Yugo [2]	318	452	−29.6	1,956	4,736
Porsche [2]	307	658	−53.3	3,152	6,531
Sterling [2]	481	247	+94.7	2,359	2,856
Peugeot [2]	577	353	+63.5	2,800	3,054
Range Rover [2]	311	426	−27.0	1,950	2,952
Alfa Romeo [2]	308	404	−23.8	2,672	2,232
Total cars	695,332	791,606	−12.2	5,628,831	6,463,927
Domestic	500,776	568,751	−12.0	4,203,492	4,738,322
Import	194,556	222,855	−12.7	1,425,339	1,725,605
Total Trucks	351,404	383,273	−8.3	2,743,031	3,194,229
Domestic	300,645	329,590	−8.8	2,423,672	2,812,211
Import	50,759	53,683	−5.4	319,359	382,018
Total vehicles	1,046,736	1,174,879	−10.9	8,371,862	9,658,156

[1] Totals include all vehicle sales reported in the period except tourlist-delivery sales of Imported models.

[2] Imported cars only. c-Imported trucks only.

[3] Estimated.

Note.—There were 27 selling days in the most recent month and 27 a year earlier. Percentage differences based on daily sales rate rather than sales volume.

[From the Detroit Free Press]

JOBS VANISH IN NORTHERN MICHIGAN

(By David Hacker)

BOYNE CITY.—Sandy Lamy wonders: "Why did it have to happen here? To me? I'm so devastated."

Lamy, 37, like others in this pretty but hardscrabble town on Lake Charlevoix, can't believe the United Technologies Automotive Group plant is closing by the end of the year. With it will go 289 jobs.

But that isn't the end of the bad news.

The Michigan Employment Security Commission in Traverse City this week released figures showing that for the first seven months of 1991, Charlevoix, Emmet and Antrim counties lost 405 jobs, 7 percent of their manufacturing jobs.

Lamy's plight and that of hundreds of others in northern Michigan paints a far different picture than is sometimes envisioned by downstaters.

Flannel shirts and quick access to the woods and waters may be a part of a more leisurely life-style. But with a declining number of jobs, a single plant closing is far more devastating than it might be downstate.

"To us," said Phil Johnson, 52, a Charlevoix County commissioner and owner of a small print shop, "this closing is like a couple of big General Motors plants shutting down in Detroit. It has one hell of an impact. It's going to trickle down to everybody."

Said Thomas Johnson, executive director of the Northern Lakes Growth Alliance: "These plants are vital to our economy and to maintaining the quality of life up here."

Phyllis Marchinkewicz bargaining chairperson of UAW Local 1403, agreed.

"These closings are hurting a lot of people," said Marchinkewicz, whose local represents workers at Allied Signal Aerospace Co. With 500 workers, it is Boyne City's largest employer. It's near the non-union United Tech plant, the second-biggest employer.

The United Tech layoffs are coming in phases, starting Aug. 30 and continuing through the fall. The doors will close by Dec. 31.

Jim Fisher, spokesman for United Tech's headquarters in Dearborn, said slow new-car sales have forced the company to consolidate operations. Some of the work will go to a United Tech plant in Mexico, Fisher said.

Marchinkewicz responded: "That's the real reason. It's that way nationwide.

"Most of our jobs are going to England, to Japan, and everywhere else. Right now, the trend is to Mexico. Free trade is hurting our businesses. You don't know what you're getting when you see a label that says, 'Made in USA.' I heard there's a town in Japan that renamed itself 'USA'."

Lamy, who received her layoff notice Wednesday, put in 14 years on the assembly line making switches and interior lights for cars. As a single parent rearing her son, Derrick, 16, she's at a loss as to what to do next. She has lived in Boyne City 24 years.

"I'm the breadwinner," she said. "I have to get a job. I can't sleep at night. I'm sick more often. I can't think."

Her severance package, unemployment benefits and savings add up to about six months of making-do.

Johnson, the county commissioner, said no one is giving up. "They said it was hopeless with the closing of the Howe Leather Co. here in the 1960s," he said. "That isn't going to kill the town. We'll come back."

He said the plant closing is just another change. "In 1957 when I graduated from high school, I could walk down the main street and call nine out of 10 persons I met by their first name. Now, I don't know one in 100."

The downtown buildings of red brick and Victorian elegance, remodeled waterfront, and friendly manners seem to reassure that even though it's losing some small-town flavor, Boyne City remains full of charm.

Said Gloria Anderson, executive director of the Boyne City Chamber of Commerce, who returned after 17 years to raise a family: "You can go back home, but you shouldn't anticipate it being what it was when you left it. We still have tranquility. You leave keys in the car and your front door unlocked."

What will become of United Tech's plant and property on 700 feet of prime, $1,000-a-foot Lake Charlevoix frontage is starting a controversy.

Some residents say the city gave the land in the early 1950s to Boyne Products Co., a forerunner of United Tech, on condition that it remain an industrial site.

City Manager Randy Frykberg said the city attorney is studying the deed to see whether the city can reclaim the property for other use. But Fisher, the company spokesman, said, "As far as we know, we own the property."

The area will lose $49,201 in taxes when United Technologies leaves, including $26,800 for Boyne City Public Schools.

"That's the cost of a teacher . . . or a couple of computers," said Superintendent Robert Nakoneczny.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from Alaska [Mr. STEVENS] is recognized.

PROSTATE CANCER

Mr. STEVENS. Mr. President, the majority leader took the time to welcome back our good friend, DAVID PRYOR, and I do also. I am happy to be here to do that, because during the past recess I have a radical prostatectomy, which is the surgical removal of a cancerous prostate. I have taken the occasion to write to every Member of the Senate, as did Senator CRANSTON after his diagnosis, and I want to take this occasion to urge Members of the Senate to read the letter from Senator CRANSTON and my letter.

During my personal investigation of this disease, I have been struck by the statistics that most American men have no knowledge of it. It is the second leading cause of death from cancer, tied with colorectal cancer and exceeded only by lung cancer for American men. As a matter of fact, black men in America have twice the rate of all other males in our country. Prostate cancer now is the most common malignant cancer in America, excluding skin cancer. Because our national research expenditures are limited, many American males have died without even knowing they had prostate cancer, or the ability to find out about this disease.

The great tragedy is that American men just do not have annual physicals. That annual physical meant much for me, as the Capitol physician found the signs of some change in my prostate, and the diagnosis, through a series of

followups, showed that it was cancer. I did, as I said have it removed.

But I think the message really ought to be today that every American male should have a physical exam once a year after he is 40. Ten percent of American males in their fifties have prostate cancer, but by the time we are in our eighties, 70 percent of American males will have this disease. Really, it is the prospect of early diagnosis that gives hope for total recovery, which is my hope today, and I hope that Senator CRANSTON has the same results.

I once again, Mr. President, urge Members to read Senator CRANSTON'S letter, to read my letter, and I hope that the Senate will pay attention when the various bills come before us as we try to raise the subject of how to increase the research into this disease.

It is interesting, Mr. President, Asiatics, in their home countries, have almost no prostate cancer. When they come to our country, they have the same amount as American males. There is every indication that this is one of the cancers that could be caused by strictly environmental conditions. It is something on which we must follow up. It is something to which we must dedicate more of our attention, and I hope to ask the Senate to do that.

Mr. President, I ask unanimous consent that in the RECORD there be printed, following my remarks, an article that appeared in the New England Journal of Medicine by Dr. Ruben F. Gittes, entitled "Carcinoma of the Prostate."

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

(See exhibit 1.)

Mr. STEVENS. This is something that I have sent to every Member of the Senate, and I think it is too bad that every American male cannot read it.

EXHIBIT 1

[From the New England Journal of Medicine, Jan. 24, 1991]

CARCINOMA OF THE PROSTATE

(By Ruben F. Gittes, M.D.)

In the 12 years since the topic was last reviewed in the Journal,[1] prostatic cancer has become the most common newly diagnosed cancer in men. It is the cause of death in more than 28,000 men per year, accounting for 11 percent of cancer deaths, third in men after lung and colon cancer.[2]

Important questions remain about the cause and prevention of prostatic cancer, but new advances permit earlier diagnosis and more accurate staging. Curative therapy is possible for localized disease with much less morbidity than previously. In advanced disease, androgen-deprivation therapy remains the mainstay of treatment.

BIOLOGY AND EPIDEMIOLOGY

Cause and experimental models

As a secondary sex gland affected by hormonal stimulation and an exocrine gland accessible to retrograde infection, the prostate might well be transformed by carcinogenic influences. However, adenocarcinoma has only rarely been induced experimentally in any animal model with the use of carcinogens or injected hormones.[3] The few animal models we have are serially passaged tumor lines derived from spontaneous tumors detected serendipitously in old rats or from human tumor lines that can grow in nude mice. The well-studied Dunning tumor has been passaged in rats for nearly 30 years and is available in androgen-sensitive and androgen-resistant sublines.[4]

Basic investigation of clinical and experimentally induced prostate tumors has raised the possibility of involvement of the *ras* oncogenes.[5] A new tumor line for basic studies has resulted from infection of fetal cloacal tissues with the *ras* and *myc* oncogenes with use of a viral vector in mice.[6]

Prevalence

Epidemiologic studies have found no consistent correlation of prostatic cancer with diet, venereal disease, sexual habits, smoking, or occupational exposure.[7] However, higher serum testosterone levels have been proposed as a major determinant of the risk of prostatic cancer,[8] as is described below.

An astonishingly high prevalence of what pathologists have interpreted as microscopic foci of well-differentiated andenocarcinoma has been found at autopsy in serial sections of prostate glands considered to be normal from men over the age of 50. Every decade of aging nearly doubles the incidence of such tumors—from 10 percent in men in their 50s to 70 percent in men in their 80s.[9,10] Since we now estimate that there is only a 6 to 8 percent chance that a man will have a clinically detected prostatic cancer in his lifetime,[2] we can estimate that at least 9 of 10 such cancers remain undetected and clinically unimportant for decades. Such a prevalence of "latent" or "incidental" tumors appears to be unique to the prostate gland.

There are wide geographic and racial differences in the incidence of clinically diagnosed prostatic cancer, ranging from 0.8 case per 100,000 population in Shanghai, China, to 100.2 per 100,000 among blacks in Alameda County, California.[8] Prostatic cancer is more common among blacks and much less common among Asians than among whites. The mortality among men with prostatic cancer, also much higher among blacks,[11] has been ascribed in part to late diagnosis.[12]

Several studies have indicated that the incidence of latent carcinoma at autopsy is similar in different ethnic groups.[13,14] Since this would seem to eliminate a genetic basis for the appearance of latent prostatic carcinoma, what accounts for the disparate growth of these tiny tumors to clinically important size in different countries and races? An attractive but conjectural hypothesis[8] is that it is the serum testosterone level. Since prostatic cancers are responsive to testosterone, since black men have serum testosterone levels 15 percent higher than white men,[15] and since a vegetarian diet alone may lower serum testosterone levels,[16] the combination of race and diet can predict some if not all of the epidemiologic spectrum of prostatic cancer. Further studies are needed to test this hypothesis.

Familial clustering of clinical cases has been observed, but no chromosomal markers or deletions have been reported. It is estimated that men who have both an affected first-degree relative (a brother or father) and an affected second-degree relative (an uncle or grandfather) have an eightfold increase in risk.[17]

Patterns of growth and spread

Tumors that grow so slowly as to be clinically inconsequential make up the bulk of the incidental tumors.[9,10] Tumors that do attain clinical importance arise principally in the peripheral zone of the prostate gland, which is usually palpable by rectal examination, and in the transition zone, usually removed during transurethral resection of the prostate.[18-20] They grow peripherally through the capsule of the prostate,[21,22] favoring the passage through the perineural spaces that perforate the capsule only at the upper outer corner and at the apex.[23] They frequently invade the seminal vesicles and the neck of the bladder. They rarely cross the fascial space into the rectal wall. Their metastatic spread is both lymphatic and hematogenous. Lymphatic spread is usually orderly and affects the obturator and iliac nodes first.[24] Hematogenous spread occurs overwhelmingly to the bones and less so to the lungs and liver.[25] Spinal involvement frequently extends into the epidural space and is a cause of extrinsic compression of the spinal cord and weakness in the legs, progressing to paraplegia.

DIAGNOSIS

Detection of prostatic cancer

In asymptomatic patients, a yearly rectal examination after the age of 40 remains the most reasonable screening technique for prostatic cancer. It is estimated that 12,000 prostatic cancers are detected at a curable stage every year in this way.[26] The use of other diagnostic tests for mass screening remains controversial and is being evaluated as described below. For symptomatic patients, with presumptive benign prostatic hypertrophy or prostatitis that may be masking a cancer, the past decade has witnessed the introduction of two additional and potentially powerful diagnostic aids—transrectal ultrasonography and determinations of serum levels of prostate-specific antigen.

Transrectal ultrasonography in early detection and biopsy

Transrectal ultrasonography, a continuously improving technique of imaging, has a proved ability to detect hypoechoic lesions (which are consistent with the presence of prostatic cancer) as small as 5 mm in diameter. It is said to detect clinically important lesions that are out of the range of the examining finger, while avoiding the microscopic and still inconsequential lesions of incidental tumors.[27-30] Transrectal scanning is an innocuous procedure. The instruments now available are relatively inexpensive and are becoming commonplace in the offices of urologists and in radiology departments. All have probes that guide a biopsy needle and document the exact location of the tissue extracted.

A recently introduced biopsy technique that is generally replacing the use of both conventional large-bore needles for core biopsies[31] and fine-needle-aspiration smears[32] is the use of an intermediate-caliber needle for core biopsies obtained with a spring-loaded biopsy "gun."[33,34] The thinner needle (18 gauge instead of 14 gauge) readily allows transrectal or transperitoneal biopsy with less bleeding than previously. No anesthesia is used, and the performance of multiple biopsies has become quite acceptable. The biopsy gun is used alongside the finger in the case of palpable lesions or through a biopsy channel built into the transrectal-ultrasonography probes now manufactured. Systematic multiple biopsies in a gridlike distribution are increasingly performed to sample suspected prostate tumors even in

Footnotes at end of article.

the absence of lesions obvious on ultrasonography.[28] Hodge et al. have claimed that up to 80 percent of biopsies in patients with suspicious findings on digital rectal examination are now positive, including those in 53 percent in patients with previously negative digitally guided biopsies.[29]

Ultrasound scanning can fail to detect up to 30 percent of the prostatic lesions that are easily palpable on rectal examination, because they are isoechoic instead of hypoechoic. Conversely, the ultrasonic hypoechoic appearance of small tumors, ascribed to their higher cellular density, overlaps considerably with that of nonmalignant tissue affected by inflammation—only 20 percent of hypoechoic areas are cancerous.[27]

Ultrasonography in screening for prostatic cancer

There has been an ongoing controversy about whether screening for prostatic cancer by ultrasound examination has a role at all. Its enthusiasts[35,38] emphasize the limitations for the rectal examination and the opportunity that ultrasound scanning presents for documentation of the ultrasonic consistency of the entire gland. They stress that serial examinations can be reliably compared, defects measured to the millimeter, and of course, ultrasound-guided needle biopsy carried out with very little morbidity. Others are more skeptical[39,42] about the use of ultrasonography for screening. Some point out that there is no proof that the detection or biopsy of these early lesions changes the clinical outlook for the patients.[41] Unfortunately, screening transrectal ultrasonography has been marketed directly to the public in many cities as a lifesaving procedure.

Prostate-specific antigen

In the past decade, the search for organ-specific substances in the prostate led to the discovery of prostate-specific antigen.[43] This is a glycoprotein produced uniquely in the cytoplasm of both benign and malignant prostate cells and found in no other normal tissues or tumors.[44] Its unique organ specificity and the wide availability of immunoassays in kit form[45,46] quickly established prostate-specific antigen as the most sensitive marker of prostatic cancer,[47,48] effectively replacing the venerable test for prostatic acid phosphatase in almost all situations.

A definite elevation in the level of prostate-specific antigen is possible with nonmalignant prostatic disease. Enlarged glands with benign prostatic hypertrophy account for most borderline elevations of the antigen found in clinical practice,[49,51] but an antigen level over 10 ng per milliliter is most unlikely to be due to benign prostatic hypertrophy alone, and urologic evaluation is indicated. Thus, Hudson et al.[51] found that only 2 percent of patients with benign prostatic hypertrophy had antigen levels over 10 ng per milliliter, whereas 44 percent of patients with prostatic cancer, including 36 percent (37 of 103) of those with clinical Stage A or B disease (Fig. 1), had levels over 10 ng per milliliter.

[Figure not reproducible in the RECORD.]

(Figure 1. Preoperative Values for Prostate-Specific Antigen in Patients with Benign Prostatic Hyperplasia (BPH), Clinically Localized Prostatic Cancer, or Metastatic Prostatic Cancer. Solid line denotes the upper limit of the level of prostate-specific antigen in normal men; dashed line denotes the upper limit of patients with BPH. Reproduced from Hudson et al.[51] with the permission of the publisher.)

Injury to normal prostate tissue can raise the level of prostate-specific antigen for several days. Although routine rectal examination has been said to produce a brief false positive elevation of the antigen,[47] Brawer et al. were unable to confirm this finding in a formal study.[52] The half-life of prostate-specific antigen, after the release of a bolus into the blood, has been calculated to be about 2.2 days in one assay[47] and 3.2 days in another.[50] After major trauma, such as a transurethral resection or a needle biopsy of the prostate, it is known that the level of prostate-specific antigen can rise 50-fold and remain elevated for two weeks.[29] Prostatitis can elevate the level of antigen over the short term,[53] as can a prostatic infarct. These, of course, are all transient elevations that, although they may reach the range found in prostatic cancer, should decline on subsequent determinations.

Gram for gram, the average prostatic cancer produces at least 10 times the amount of prostate-specific antigen that is produced by normal prostatic tissue.[49,54] Some small tumors seem to have even more activity, with small nodules producing antigen at levels in the range of 15 to 30 ng per milliliter. Some patients with metastatic disease present with serum levels of several thousand nanograms per milliliter.

The role of prostate-specific antigen in screening for prostatic cancer was prejudiced from the start by the fact that benign prostatic hypertrophy, which is very common, is often associated with a slight elevation in the antigen level.[47,48,51] It is noteworthy that up to 30 percent of localized prostatic cancers have normal antigen values;[49-51] therefore, it is agreed that the measurement of prostate-specific antigen should not displace rectal examination in the early detection of prostatic cancer, but rather complement it.

Cooner et al.[37] and others[27,28,30,36] have stressed the complementary use of ultrasound examination and prostate-specific-antigen testing in the diagnosis of nonpalpable prostatic cancer. For example, Cooner's group found that of 479 men 60 to 69 years of age with normal results on rectal examination who were studied by the two methods, the combination of a suspicious ultrasonogram and an elevated level of prostate-specific antigen (over 4.0 ng per milliliter) identified 17 of 48 biopsy specimens (35 percent) positive for cancer. In a more recent study by Lee et al.[27] of symptomatic patients with normal results on rectal examination, the presence of an elevated antigen level made an abnormal ultrasonogram a positive predictor of cancer in 52 percent of cases; and the presence of both abnormal results on rectal examination and an elevated level of prostate-specific antigen raised the positive predictive value of ultrasonography to 71 percent.[27,30]

Magnetic resonance imaging in early detection

Newly developed small probes for transrectal magnetic resonance imaging[55] have shown a startling degree of resolution and sensitivity for prostatic cancer as compared with benign prostatic hypertrophy. This technique may prevent unnecessary biopsies and will undoubtedly be applied increasingly to the early diagnosis of prostatic cancer.

Histologic grading of prostatic carcinomas

As with other types of adenocarcinoma, prostatic tumors were for many years graded according to the degree of differentiation.[56] Although individual cells can be graded according to their nucleolar or nuclear roundness,[56,57] as must be done with fine-needle-aspiration-biopsy specimens,[32] the tumor patterns revealed under low-power microscopical examination are particularly distinctive and useful. These patterns range from well-differentiated small glands with "back-to-back" crowding to poorly differentiated sheets or cords of malignant cells.[56,58]

In the past decade several efforts have been made to adopt a uniform grading system that would correlate with the clinical course of the patients.[56,58,59] The system of Gleason[58] (Fig. 2) has been incorporated rapidly into clinical practice and appears to correlate well with other known prognostic indicators, especially tumor size,[20] metastases to pelvic lymph nodes,[19,59-61] and even the level of prostate-specific antigen.[49]

[Figure not reproducible in the RECORD.]

(Figure 2. Simplified Drawing of the Gleason Grading System for Prostatic Adenocarcinoma. Five distinct glandular patterns are identified and shown in order of increasing lack of differentiation. More than one pattern may be present in a surgical specimen: the pathologist identifies the two predominant ones and adds them to yield a final Gleason grade (e.g., 3+4=grade 7). Reproduced with the permission of the publisher.[58])

Biopsy specimens of metastatic tumors of uncertain origin in men are readily identified as prostatic by the routine use of immunohistochemical testing for prostate-specific antigen and prostatic acid phosphatase. Prostate-specific antigen is present in 97 percent of such tumors, even very undifferentiated ones, and the test for prostatic acid phosphatase usually identifies the remainder.[62]

STAGING OF PROSTATIC CANCER

The staging of prostatic cancer is of central importance to any discussion of therapy and clinical results. The commonly used staging systems are shown in Figure 3. Staging has become more elaborate, with the possibility of increased definition of lesions by imaging and the use of tumor markers.

[Figure not reproducible in the RECORD.]

(Figure 3. Staging of Prostate Cancer. The tumor, node, and metastasis (TNM) staging for local tumors is indicated by Roman numerals I through IV. The more elaborate Hopkins system is subdivided to make clinically important distinctions, as follows: Stage A—microscopic, not clinically palpable tumor (A., with focus in less than 5 percent of tissue examined, low grade; A_2, with multiple areas [more than 5 percent] or Gleason grade higher than 4); Stage B—palpable, macroscopic tumor (B_1,≤1.5 cm in diameter, only in one lobe; B_2,>1.5 cm in diameter, or several nodules in both lobes); Stage C—tumor with extracapsular extension, but still clinically localized (C_1, palpably extending into seminal vesicle but not fixed to pelvic wall; C_2, fixed to pelvic wall); and Stage D—demonstrated metastatic tumor (D_1, metastases limited to three pelvic nodes or fewer; D_2, more extensive nodal or extrapelvic metastases [e.g., to bone]).)

Measurement of the prostatic-tumor markers, prostate-specific antigen and prostatic acid phosphatase, and total-body bone scanning constitute the usual initial staging evaluation of a patient with proved prostatic cancer. A positive bone scan, usually correlated with the level of prostate-specific antigen, identifies the patient's disease as Stage D_2, and makes elaborate local staging unnecessary. If the bone scan is negative, CT or MRI is performed as well to evaluate the pelvic lymph nodes.[63] The extent of local disease may be defined better by ultrasound scanning as an adjunct to the rectal examination.[64]

The role of surgical pelvic lymphadenectomy in staging and in planning for the

patient's therapy has become established.[65] This procedure is preliminary to radical prostatectomy (described below); if the frozen sections are positive, no surgical attempt at a cure is made. The usefulness of this procedure has been reinforced by the abandonment of lymphangiography and the poor sensitivity of CT and MRI.[63,64]

Early hopes that lymphadenectomy of microscopic metastases might be therapeutic have been dispelled, because longer periods of follow-up have shown the inevitable appearance of a distant recurrence in patients with even minimal involvement of lymph nodes.[66]

TREATMENT OF LOCALIZED (STAGES A AND B) PROSTATIC CANCER—RADIATION VERSUS SURGERY

Patients with Stage A prostatic cancer are usually assigned to watchful waiting unless they are relatively young.[67] Radical prostatectomy and radiation therapy both offer curative treatment in patients with early disease that is limited to the prostate (Stages A_2, B_1, and B_2). Neither method has proved statistical superiority in its effectiveness.[68] A prospective randomized study by the Veterans Affairs Oncology Group in which patients were assigned to either radiation therapy or surgery after a negative node dissection indicated an advantage to surgery, as shown by the percentage of patients free of recurrence after five years.[69] However, Bagshaw et al. have retrospectively analyzed the results of radiation therapy at Stanford University and have suggested that they are comparable to the surgical results studied prospectively by the Veterans Affairs group,[70] noting that 90 percent of the patients in a subgroup with negative results on lymphadenectomy remained free of disease after five years. Retrospective reviews of surgical results at several centers suggest a favorable outcome: the 15-year disease-specific survival rate was 93 percent at the Mayo Clinic,[71] 89 percent at the Mason Clinic,[72] and 86 percent at Johns Hopkins Hospital.[73] In these series, disease-specific survival reached a plateau after 10 years.

Nerve-sparing radical prostatectomy

Radical prostatectomy, available for many years, entails the removal of the entire prostate, including the capsule, a layer of surrounding connective tissue, and the attached seminal vesicles. At one time this operation caused permanent impotence in almost all patients. In a landmark contribution, Walsh and Donker[74] determined the anatomical location of previously overlooked nerve bundles that are required for normal erection of the penis. New techniques of radiation prostatectomy can now spare these nerves,[75] and within a year potency returns in 50 to 80 percent of patients so treated. Younger patients with more limited disease have the best rate of recovery.[75,76]

Another advance has been the notable reduction in blood loss from radical prostatectomy, because of more accurate dissection of the venous channels overlying the proximal urethra and the prostatic apex.[77] It is now customary to have patients donate two units of blood, and with the new procedure they rarely require more than that.[78]

Although almost all centers accept the concept that radical prostatectomy should be aborted if positive pelvic nodes are found,[66] the Mayo Clinic group has proceeded with both prostatectomy and orchiectomy in such cases.[79] Their excellent results are controversial, representing a combination of early adjuvant hormonal therapy and a partial removal of the local tumor.

Concern has recently arisen that the nerve-sparing procedure may impair the overall effectiveness of the surgery.[80,81] Longer periods of follow-up will be necessary to rule out the risk of increased local recurrence.

Complications of Radical Prostatectomy

Permanent incontinence is now rare, occurring in less than 2 percent of patients.[75,82] The node dissection and the rest of the pelvic surgery predispose patients to thrombophlebitis and lymphocele.[65] The frequency of lymphocele is increased by prophylaxis with heparin.[83,84] When, despite a nerve-sparing prostatectomy, impotence does occur and is of concern to the patient, self-injections of papaverine or alprostadil can be used to promote penile erection and are usually successful.[85]

Drop in Level of Prostate-Specific Antigen

With a half-life of two to three days, prostate-specific antigen becomes undetectable soon after curative radical prostatectomy.[86] The methods and techniques used are so accurate and the specificity of origin of any detectable antigen so obvious that the finding of a measurable level after radical prostatectomy leaves no doubt that there are residual prostatic cancer cells.[47,50,51,86]

Radiation therapy

Interstitial radiation using seeds of iodine-125 or gold-198 (brachy-therapy) was in vogue for several years. The early procedure required open surgical exploration, with lymph-node sampling and the placement of needles into the substance of the prostate to deposit the radioactive seeds. Superior results were claimed in terms of preserving potency and avoiding incontinence.[87,88] Unfortunately, in the past 10 years longer follow-up periods have shown relatively poor local control of the disease by this method.[89-92] Some centers have continued to administer interstitial radiation, however, using transperineal percutaneous needles guided by ultrasonography.[93-95]

External-beam radiotherapy from high-energy linear accelerators has been an established and well-tested curative treatment for localized prostatic cancer for more than two decades.[50,96] Newer energy sources, such as proton beams[97] and neutron beams,[98] have been used to reduce the scatter of the radiation effect further, but they remain experimental and relatively inaccessible.

The role of radiation therapy in treating the pelvic lymph nodes is still controversial.[99,100] Surgical lymphadenectomy is not usually used for staging before radiation therapy, because of the increased morbidity of the combined methods. On the hypothesis that the progression of microscopic tumors in pelvic lymph nodes might be arrested by suboptimal doses of radiation therapy, most therapeutic programs do administer a wide-field treatment of up to 50 Gy that includes the pelvic lymph nodes and then "cone down" for additional therapy to the more tolerant region of the prostate and the immediate tissues, for a total dose of 70 Gy.[50,101]

Complications

Potency is preserved in over half the patients who undergo radiation. Thus, Bagshaw et al. reviewed the results in 532 patients and found that 86 percent were potent after 15 months and 50 percent remained so after 7 years.[70] The deleterious effect of the radiation appears to involve nerve conduction less than the patency of the vessels to the corpora cavernosa.[102]

The incidence of rectal-wall damage, formerly an important complication, has been greatly reduced by the use of photons with increased energy and by better targeting of the beams. Temporary tenesmus, diarrhea, and mucosal bleeding are usually the worst problems. Rarely, rectal-wall fibrosis and problems with the function of the rectal ampulla are encountered.[99]

Level of Prostate-Specific Antigen

The course of serum levels of prostate-specific antigen after definitive radiation for presumably localized prostatic cancer involves a much delayed decline, as compared with the drop after surgical excision, but one that remains very useful prognostically. Serial values in the Stanford series were stable after one year in 49 percent of the patients but were increasing again in 51 percent.[103,104] Progressive reelevation of the values for prostate-specific antigen indicates either a failure of local treatment or the appearance of overt systemic metastases.

Residual Tumor

There has been a controversy for several years about the importance of residual cancer after radiation therapy. Systematic biopsies of fully treated patients have shown a 35 to 91 percent incidence of apparently viable tumor,[17,89,90,105,111] and some centers have resorted to salvage surgery in such cases.[112] What is the clinical importance of residual tumor after radiation? The correlation of the presence of residual cancer after one year with the appearance of delayed distant metastases has been a source of concern.[108,111] Progression to Stage D disease and mortality are both greatly increased in the subgroup of patients whose local disease seems to have resisted radiation therapy despite the absence of palpable local growth.[109]

TREATMENT OF STAGE C PROSTATIC CANCER

Overt Stage C disease, in which there is a large local lesion with extraprostatic extension, has previously been treated primarily by radiation therapy with the hope of a cure[50,113] or by direct recourse to palliative hormonal therapy.[114] The hope of a surgical cure was only tentatively espoused by a few, because of the likelihood (over 50 percent) of positive pelvic nodes and the probability of leaving residual extraprostatic tumor.[115,117]

Recent reassessment of the results of radiation therapy with ultrasound examination and measurement of levels of prostate-specific antigen has shed new light on the question. The survival curves were identical for patients treated initially with hormonal therapy and for those treated first with radiation and then with hormonal therapy at the time of regression.

Since more accurate staging by ultrasound examination and prostate-specific-antigen determination is now available, a prospective study for the optimal management of Stage C disease is indicated.[119] For the present, early antitestosterone therapy may be the least harmful and most cost-effective treatment.[114]

TREATMENT OF METASTATIC CANCER

It has been more than 50 years since the effectiveness of withdrawal of androgens was demonstrated in the control of prostatic cancer.[120] The basic physiologic features of the androgen receptor and the biochemical pathway for hormonal dependence are only now being elucidated.

For many decades, two pathways have been recognized for the production of androgens in the mammalian body. The first and primary pathway occurs in the testes, with their production of testosterone. It is well known that normal prostatic tissue and most prostatic cancers respond to testos-

terone after it has been converted in the cytoplasm to dihydrotestosterone by 5α-reductase.[121] The second pathway of androgen production is found in the adrenal cortex. Relatively large quantities of androstenedione and dehydroepiandrosterone are produced there and are considered to provide about 5 percent of the androgenic stimulation available to the prostate or to prostatic cancer.[121] The current array of hormonal-treatment regimens can be divided into those that are designed as antitestosterone therapy and those that include added effects against adrenal androgens in order to attempt a total androgen blockade.

Antitestosterone therapy

Bilateral orchiectomy has been used worldwide as the most definitive and effective antitestosterone measure. This procedure can be performed in an outpatient setting with the patient under local anesthesia with minimal morbidity.[122] Estrogen preparations have also been used for many decades, and their antitestosterone mechanism is well understood. They inhibit the secretion of pituitary luteinizing hormone to such a point that the circulating testosterone is essentially at castrate levels. Concern about the side effects of estrogens increased when it was demonstrated that they could alter platelet adhesiveness and increase the incidence of thromboembolic phenomena in patients treated for prostatic cancer.[114,123] Because of this concern, daily doses of diethylstilbestrol were reduced in practice to 3 mg per day. Doses of 1 mg per day were also advocated and widely used.[114] The 1-mg dose probably produces fewer side effects, but it suppresses testosterone to castrate levels in only 70 percent of patients,[124] whereas the 3-mg dose invariably produces complete suppression.

Although estrogen therapy has been partially replaced by either orchiectomy or the use of analogues to luteinizing-hormone—releasing hormone (LHRH), as described below, the main side effects of estrogen therapy can be attenuated, and the drugs remain useful. Gynecomastia, once very common, is now usually prevented by superficial radiation to the breast tissue at a dose of up to 15 Gy before the start of therapy.[125] Although no results from a controlled study have been reported, the platelet-aggregating effects of estrogens are managed in practice by the daily use of aspirin. Since most of the side effects of estrogens occur early in treatment,[126] patients with well-controlled prostatic cancer who take diethylstilbestrol should not have this therapy stopped or changed arbitrarily. If side effects do appear, the dose of diethylstilbestrol should be reduced to 1 mg a day, with monitoring of the levels of testosterone and prostate-specific antigen.[127]

The third principal alternative for antitestosterone therapy is the recently developed family of peptides that are analogues of hypothalamic LHRH. These synthetic peptides (leuprolide, buserelin, and goserelin) are administered by parenteral injection. Their mechanism of action is to occupy the receptors of LHRH in the pituitary, initially stimulating the release of luteinizing hormone and then blocking the subsequent stimulation of the receptors by the endogenous pulsatile secretion of luteinizing hormone.[128,130] Depot preparations are now available that require only monthly injection for castrate levels of testosterone to be achieved.[131,132] Hot flashes may occur, as with orchiectomy.

The advantage of the LHRH analogues is that they avoid both the trauma of orchiectomy and the side effects of estrogen therapy, including gynecomastia and increased platelet adhesiveness. The disadvantage of the newer medications is twofold. First, the preparations have the potential for rapid worsening of a patient's condition during the initial two weeks of paradoxical stimulation of testosterone release. The drugs are therefore contraindicated for use as the only medication in patients with painful involvement of the spinal column, in whom compression of the spinal cord, or even paraplegia, might develop. The initial flare-up can be avoided by the concomitant use of antiandrogens[133] or the concomitant temporary use of estrogens.[134] The second disadvantage of these depot peptides is their high cost—more than $300 a month for a single injection.

Controversy about total androgen blockade

The concept of adding a blockade of adrenal androgens to orchiectomy was advanced by Huggins and Scott decades ago and tested by the use of surgical adrenalectomy.[135,136] Synthetic antiandrogens have been available for the same purpose for an equally long time,[137,138] among them cyproterone acetate, nilutamide, flutamide, ketoconazole, and others with similar mechanisms. These drugs all act by competing with androgens at the receptor level in previously sensitive cells, normal or malignant. Now being tested is finasteride, a specific inhibitor of 5α-reductase that permits testosterone to be "spared" but blocks most effects of androgens on prostatic cells by preventing the formation of dihydrotestosterone.[139]

In the 1980s the concept of total androgen blockade was reintroduced.[140,141] A prospective multicenter study in the United States, combining an LHRH analogue with flutamide or placebo, suggested an advantage for the addition of flutamide[142] and led to its approval by the Food and Drug Administration for general use. But other studies of total blockade have failed to show any advantage. A recent Danish multicenter study combined a similar depot LHRH analogue (goserelin) with flutamide therapy and compared the results with those of orchiectomy in 264 patients.[143] There was no difference with respect to survival or median time to detectable progression. A Canadian study[144] of treatment with orchiectomy plus placebo as compared with orchiectomy plus antiandrogens in more than 200 patients showed no difference in the time to detected progression, but there was a longer median survival with total androgen blockade. Other studies recently reported from France[145] and Italy[146] and an international effort[147] also failed to support the supplementary use of antiandrogen therapy except to suppress the LHRH flare-up.

The controversial marginal advantage of total androgen blockade must be weighed against its side effects, especially diarrhea,[142,143] and its very high cost. The use of flutamide has added about $200 per month to the high cost of therapy with depot LHRH alone.

Chemotherapy for prostatic cancer

Nonhormonal chemotherapy has been of little value to date in treating prostatic cancer. Prospective controlled studies by the National Prostatic Cancer Project in the first of the 1980s gave no real encouragement for the use of available antimetabolites and cytotoxic agents. As reviewed by Eisenberger,[148] the terminal course of patients who have a relapse after receiving hormonal therapy is measured in weeks despite chemotherapy. A caveat is that most candidates for chemotherapy, who have not responded to hormonal therapy, remain responsive to androgens. They are very likely to have severe, symptomatic exacerbations of their already terminal disease if their level of androgens is elevated again.[149,150] In practice, patients who have not undergone orchiectomy must not have their therapy with estrogen or LHRH stopped, and the addition of exogenous androgens must still be avoided.

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Mr. MOYNIHAN address the Chair.

The PRESIDING OFFICER. The Senator from New York.

WELCOME, SENATOR STEVENS

Mr. MOYNIHAN. Mr. President, may I take this opportunity to welcome Senator STEVENS, not back to our Chamber because he was never absent from it, but back from a very difficult, important period, his wife and daughter at his side, and to thank him for the good counsel and good news that he brings to this Chamber; very good counsel, indeed. I think his comment about the possible environmental basis for this cancer is most important.

WELCOME, SENATOR PRYOR

Mr. MOYNIHAN. Mr. President, I wish to be among the long series of speakers this morning who welcome DAVID PRYOR back to our company.

A GRAND BARGAIN ON NUCLEAR WEAPONS

Mr. MOYNIHAN. Mr. President, for the moment, I will take the Senate's time to comment on the extraordinary events in Russia and its neighboring republics in the last 3 weeks. I suggest that the Nation has an opportunity that we never expected in our normal calculations, to which we must dutifully attend. That is the possibility which the third Russian Revolution offers to achieve truly large-scale, definitive reductions of nuclear weapons in the world.

Mr. President, I sometimes say to friends that one of the perks of going to high school in New York City in the 1930's was that one got to know Kerensky, who would come around and lecture. If you did that, you became one of the 500 people in the world who knew that there had been two Russian revolutions in 1917, not one, and that when the Bolsheviks stormed the Winter Palace, as they were forever shown doing in the movies of that era, they did not overthrow the czar. The czar had already resigned. They overthrew a democratic government. And the prospect that there might be a return to democratic government was not to be excluded at all. On what circumstances, and at what levels of turbulence and disorder was not clear. But it was clear something was coming.

Back in 1979, Newsweek magazine had a forum on the eighties; as they put it, will happen in the eighties? I submitted a brief entry and I said, "In the eighties the Soviet Union will break up." That is pretty clear. The problem, I said, was whether the world would blow up with it as control of that enormous nuclear arsenal vanished. Whatever else, the cold war meant strict control over the nuclear arsenals on the two sides. That the record shows. We are still here to so attest. But other risks—revolution, chaos, dissolution, civil war—were not seriously considered. My thesis was that the economic promises and predictions of the withering away of ethnicity in Marxist theory were wrong. Soon they would be seen to be wrong. A crisis would result. I continued:

Now the nationality strains begin. Whatever Marxism may have meant to intellectuals, it is ethnic identity that has stirred the masses of the twentieth century, and they are stirring near the Russian borders.* * *

Since 1920 the Communists have rather encouraged ethnic culture, while ruthlessly suppressing ethnic politics. It won't work.

In 1990, as the Soviet breakup was under way, I took the liberty of saying in another Newsweek article, remember, we said this was coming, and now it is coming. What about those warheads? I quoted our distinguished chairman of the Armed Services Committee, Senator NUNN, who was urging that we send food to the Soviets even then. He said:

Chaos in a nation that possesses 10,000 nuclear weapons is not in our national security interests.

He was referring to the strategic weapons. I will talk in a moment about the tactical nuclear weapons.

Nothing happened. No one could grasp, even then, the real danger. So last week, in Newsweek once again, I wrote yet another piece. I argued that we could have a very serious turn of events in the Soviet Union. I noted that after the successful Bolshevik coup in 1917, internecine warfare raged until 1922. I was able to cite Dr. Yevgeny Velikhov, science adviser to Mikhail Gorbachev, who called for "the international community to play a role in controlling the Soviet Union's nuclear arsenal while the country faces the possibility of political collapse." The science adviser is saying we need an international regime because of what these weapons could do to us.

It seemed to me a massive vote for peace, if you like; to see a country that is going to have famine this year saying, yes, we will all get together and get rid of those tactical field weapons the size of big artillery shells—"Fat Thomas" was a term our soldiers used for one such weapon in NATO in the sixties and seventies—the kind of weapon that might actually be fired. The lieutenant has gone hysterical, the sergeant is dead, and the corporal can fire the thing. Warring Soviet republics could launch them at one another.

Mr. President, the case for abolishing these weapons grows daily stronger. Soon after Dr. Velikhov spoke, the Russian President, President Yeltsin, called for "the total elimination of nuclear weapons in Russia."

Just 2 days ago in Paris, Eduard Shevardnadze, the former Soviet Foreign Minister, said an unstable Soviet Union is a great threat to the world. He said arms limitation talks about tactical nuclear weapons must be held urgently "because such arms are found in the territory of our republics outside Russia and this is dangerous for the West as well as for ourselves."

Today Soviet leaders are saying, "Our weapons could be used on us," a wholly different posture than the negotiated standoffs of the SALT Treaties, and the START Treaty. In the SALT Treaties, we essentially negotiated the increases both sides had already planned. Neither they nor ourselves said the threat of our own arsenals may also be to ourselves. That is the profound change.

In today's New York Times, Ivo Daalder of the University of Maryland, notes that tactical nuclear weapons are not as secure as strategic weapons. He too argues that we should begin "formal negotiations aimed at eliminating all tactical nuclear weapons—whether based on land, sea, or air."

There is not a more brilliant man with a better record in world affairs than Hans-Dietrich Genscher, the Foreign Minister of the United Germany. And on CNN just yesterday he also spoke of the need to go beyond the present treaties, which deal with conventional weapons in Europe—rifles, machineguns, tanks—and ICBM's over here. He spoke of the need to deal with tactical nuclear weapons. He said, "Artillery and short-range missiles continue to be a source of worry. They are less easily controlled. The best form of control is their complete destruction or elimination."

Mr. President, our very distinguished Secretary of Defense was asked about this by Wolfe Blitzer, a most eminent journalist and observer. Mr. Cheney did not say yes; he did not say no.

Mr. BLITZER. Let me ask you this question: There's been a proposal by New York Senator Daniel Patrick Moynihan, what he calls a grand bargain, for the United States, in effect to purchase the destruction of the Soviet strategic nuclear arsenal; by helping with enormous economic assistance, the Soviets would reduce their nuclear stockpile. How do you feel about that kind of very bold proposal?

Secretary CHENEY. Well, we haven't had an opportunity to study it or look at it at this point. We think that the Soviets clearly have to reduce their military arsenal.

President Bush is going to be speaking to the 46th General Assembly of the United Nations on September 23—13 days from now. Would this not be the moment to go to the United Nations and say: Let us get rid of all those conventional weapons; we are willing to help anybody who is willing to do it.

Obviously, the people who need help most are the people of Russia and the republics, who may starve this winter. Sir, I ask that this be considered; I hope the Senate will consider it, and I hope the President might hear us.

Mr. President, I yield the floor, asking unanimous consent that various statements referred to in my remarks be printed in the RECORD.

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

"Asking the Right Questions: Will Russia Blow Up?"—Newsweek, November 19, 1979:

The Soviet empire is coming under tremendous strain. It could blow up. The world could blow up with it. * * *

The moment came when it became clear that the promises of the revolution, especially the economic promises, were not being kept and would not be.

Now the nationality strains begin. Whatever Marxism may have meant to intellectuals, it is ethnic identity that has stirred the masses of the twentieth century, and they are stirring near the Russian borders. * * *

Since 1920 the Communists have rather encouraged ethnic culture, while ruthlessly suppressing ethnic politics. It won't work.

"How America Blew It"—Newsweek, December 10, 1990:

I mean no more than was recently implied by Sam Nunn, chairman of the Senate Armed Services Committee. Urging that we send food to the Soviets *now*, he says: "Chaos in a nation that possesses 10,000 nuclear weapons is not in our national security interests."

"A Grand Bargain: Aid for Arms Control"—Newsweek, September 9, 1991:

The empire of the czars has 30,000 nuclear warheads, one-third of them strategic and aimed at us, and about two-thirds of them tactical or battlefield range. The intercontinental missile are pretty well under the control of the Strategic Rocket Forces, a central command. But the theater weapons—artillery rounds, bombs—are scattered all over the different services throughout the Soviet Union. * * *

Now Yevgeny Velikhov, science adviser to Soviet President Gorbachev, has called for "the international community to play a role in controlling the Soviet Union's nuclear arsenal while the country faces the possibility of political collapse.

"Despite Collapse of Communism, Nuclear Arms Race Goes On" by Robert Burns—Associated Press, September 9, 1991:

Russian President Boris Yeltsin * * * said last week that he favors "total elimination of nuclear weapons in Russia."

"Shevardnadze Says Dictatorship Threat Still Faces Soviet Union"—Associated Press, September 8, 1991:

[Shevardnadze] said arms limitation talks about tactical nuclear weapons must be held ugently "because such arms are found on the territory of our republics (outside Russia) and this is dangerous for the West as well as for ourselves."

German Foreign Minister Hans-Dietrich Genscher on CNN, September 9, 1991:

* * * all artillery and short-range missiles continue to be a source of worry. [They are] less easily controlled, and *the best form of*

control is their complete destruction or elimination [italic supplied].

"Abolish Tactical Warheads" by Ivo H. Daalder, Director of Research at the Center for International Security Studies at the University of Maryland—New York Times, September 10, 1991:

The Control of tactical nuclear weapons is generally more fragile than the multi-tiered safeguard system governing strategic forces. Some older weapons lack electronic locks to prevent unauthorized use. They are also quite widely deployed; Soviet weapons are scattered throughout the Union, and American weapons are based in seven European countries plus South Korea.

As suggested by the former Soviet Chief of the General Staff only weeks ago, the American and Russian military should immediately begin talks on nuclear command and control arrangements. Representatives of the other nuclear powers could also be invited.

This dialogue should be complemented by formal negotiations aimed at eliminating all tactical nuclear weapons—whether based on land, sea, or air.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

HONORING JANE McGHEE

Mr. KASTEN. Mr. President, I rise today to honor an outstanding member of my Senate staff, a dedicated public servant, and a dear personal friend.

Jane McGhee was well-known to many of the people who work here—Senators and staff alike. She died on August 23, and all of us will miss her a great deal.

Jane's final years were not easy. She suffered from debilitating cancer for 3 years, and her daily life was a continual battle with pain and dejection.

But Jane's last years gave us all a true demonstration of her character—her strength and her courage. Even when she was staring death in the face, her first thoughts were always about the needs and concerns of others. And her dedication to the work of the U.S. Congress remained as strong as it had been when she was well.

None of us who knew Jane were surprised by her perseverance. We knew the kind of person she was—an intensely loyal, smart, tough person who was never afraid of hard work.

Jane was a perfect example of a person taking command of her own destiny. We often speak of individuals "pulling themselves up by their own bootstraps"—Jane personified this quality.

Jane never had it easy. Jane built a Washington career from scratch. It is a great testimony to her intelligence and hard work that she succeeded in making herself an important presence in this great legislative body.

By the time she was 30, Jane had worked for Congressman Charles Wilson of California, served as D.C. office manager of the Metropolitan Water District of Southern California, became a legal secretary and a lobbyist as well.

In 1981, I was starting my first term as a U.S. Senator. One of my most important duties was the chairmanship of the Foreign Operations Subcommittee—and I needed to make sure that my Foreign Operations staff was hard-working and reliable.

I hired Jane that very first year in an administrative capacity. I was so impressed with her performance—and her exceptional maturity—that I rapidly promoted her to professional staff work.

For 7 years, she was a mainstay of the Senate Appropriations Committee—a true master of the legislative process. She was unfailingly accurate in performing the detailed work that is required to finish a piece of legislation.

But Jane was not just an efficient legislative staffer. She was in many ways the heart of my staff—the person who would reach out with genuine concern to the poor, the handicapped, and those suffering from health problems. I decided in 1988 to broaden her legislative responsibilities to include these human-needs issues.

It was shortly after I had promoted her to this new legislative assistant position that she was stricken by her fatal illness. True to her character, her chief concern remained the welfare of others—her friends, her coworkers, and the disadvantaged.

She kept her terrific sense of humor to the very end. In fact, the doctors gave her only 18 months to live—but she soldiered on for 3 whole years and remained a central member of my Washington staff.

That is the kind of person Jane was. I remember when Silvio Conte came over for her birthday party, all of us were concerned about the extent to which her pain was hobbling her—but she was more concerned about Silvio's bout with cancer than her own losing battle.

Mr. President, only in the very narrowest sense was Jane McGhee fighting a losing battle. She remained a terrific person under the most painful of conditions—giving all of us courage to face the less difficult challenges of our lives. None of us will forget her, or stop cherishing her memory.

Jane McGhee was one of life's winners—a member of the honor roll. May she rest in peace.

Mr. President, allow me to add a brief note for the benefit of Jane's many friends in this Chamber: There will be a memorial service for Jane at St. Joseph's Catholic Church at 5 p.m. tomorrow.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

EVENTS IN THE BALTIC STATES

Mr. PRESSLER. Mr. President, I want to make a few remarks regarding a trip I took to the three Baltic States during the recess. This trip had been planned 6 months ago, long before the exciting events that have occurred there took place. I, together with a staff member from the Foreign Relations Committee and one of my own staff, visited Estonia, Latvia, Lithuania, as well as Moscow, in late August.

I am very happy that they have achieved their independence, as I think we all are. I might say that the state of euphoria in those countries is very high. I hope that euphoria does not decline; I hope that euphoria does not melt away.

There are some things we can do to help the Baltic States. I doubt that we can come forth with the amount of money that some of them hope for or expect—and some are expecting sort of a Marshall plan. I emphasized to them that September is a very difficult budgetary month in Washington, with our budget year coming to an end on September 30. Presently there is about $25 million for all of the republics in the foreign assistance bill that we passed in the Senate. This is nothing like a Marshall plan. However, I have written to the President a letter urging that the U.S. Peace Corps be made available to the Baltic States. They are very much in need of technical assistance, and the Peace Corps can provide that help.

For example, as they convert their collective farms to individual private farms, they will need experienced family farmers from the Peace Corps, or some other organization, to advise them. As they go from the huge machines of the collective farms down to 50 horsepower tractors, as they move from the large dairy and hog herds of the collective farms down to 50- or 60-cow herds or 100 head of swine, the conversion process will be difficult. They will need technical advice and assistance to learn how to make economic privatization work.

Also, they need small businessmen to advise them. For example, they do not have the tradition of small businessmen keeping accounts, working to make a profit, doing an annual report, seeking investments, dealing with the complications of having a partner, et cetera. They will need experienced small businessmen to advise them on how to conduct their businesses and make free enterprise work, so to speak. So there is a great role that could be played in the Baltics by our Senior Executive Service Corps and the Peace Corps.

There are great expectations in the Baltic States. People are on a high. It was my privilege to attend a mass and a celebration remembering those who had died at the hands of communism. Afterwards, I had lunch with the bishop in Vilnius, Lithuania. The people are hopeful. It was also my pleasure to attend a major celebration at which Vytautas Landsbergis, the President of

Lithuania, spoke. I met with him personally and talked to him about the future of his country.

There is so much euphoria. Yet, they are facing a difficult winter. There may be some shortages of wheat and feedgrain, although the three Baltic States do better than the rest of the Soviet Union in terms of agriculture. They have rich land and they are hardworking people, but they face a very challenging situation.

The downside to their situation is that they have a lot of obsolete Russian equipment, such as computers, communications equipment, and farm equipment. Still, they are very much married to Russia in terms of their technology and their equipment. This means that they probably will continue to work closely with the Soviet Union and with Russia. They are so dependent on Russia and the other republics for equipment, repair parts and replacement parts.

The Baltic States want to be close allies of the United States. They want to be Western. But they have had decades of being forced to learn Russian rather than freedom to learn English. They have experienced years of using Russian telephones, computers, and machinery, and it is going to take a while for them to become Western.

This is a great opportunity for all of us who for so long advocated Baltic independence and who sponsored many resolutions urging their independence. Now we will have to step forward and give them some assistance.

We have a very severe money problem but we can help them in other ways. They would benefit greatly from the Peace Corps, the Senior Executive Service Corps, and sending some of our experienced farmers over there to advise them on how to run a family farm. Other forms of technical assistance and the agricultural attaché program in our embassies also would be beneficial.

So, Mr. President, as we begin the final weeks of this first session of this Congress, we can rejoice in what is happening in the Soviet Union, especially in the Baltic States. But we now have a very delicate problem, with our huge Federal deficit and our other domestic problems. We want to be helpful, but it must be done without much cash assistance.

I have asked the President to offer the use of the Peace Corps, technical assistance, and other programs that would help them.

Mr. President, I ask unanimous consent to have included in the RECORD a copy of my letter to President Bush.

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

SEPTEMBER 4, 1991.

The PRESIDENT,
The White House,
Washington, DC.

MR. PRESIDENT: Having just returned from a week in the Baltic States, I encourage you to send Peace Corps volunteers to those newly independent countries.

In my meetings with President Landsbergis and the prime ministers of Latvia and Estonia, it was apparent that they have unrealistic hopes for massive cash assistance from the United States. I agree with you that we are not in a position to do that. Even if we were, without major structural reforms such assistance probably would be counterproductive.

However, the Baltic leaders listed technical assistance as a high priority. It seems to me that our Peace Corps could offer the Baltic countries volunteers who could provide technical assistance in a number of areas, such as small-scale farming, small business operations, communications development and health care. The Peace Corps increasingly is taking older, retired volunteers. These experienced people would fit in well in the Baltic nations. South Dakota farmers, for example, have the common sense practicality and hands-on experience to teach the Baltic family farmers how to make things work.

I would very much appreciate your consideration of this idea as you develop policy alternatives for the new nations of the Baltic region.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

LOAN GUARANTEES TO ISRAEL

Mr. WOFFORD. Mr. President, Israel is in the midst of a historic effort to absorb 1 million refugees. The immigration of hundreds of thousands of Soviet Jews and the inspiring airlift of 15,000 Ethiopian Jews demonstrates a continuing commitment to the original version of Zionism: a nation for the ingathering of Jews from many nations.

I support a program of United States loan guarantees to help Israel finance the absorption of this vast flood of new citizens. And I oppose linking this important humanitarian program to any political issue.

United States loan guarantees are consistent with our long struggle to obtain freedom for Soviet Jewry. Free emigration has long been a cornerstone of our policy toward the Soviet Union. In fact, as early as the 19th century, Americans have intervened on behalf of Russian Jewry.

This fight reflects our own national values. As a nation built of immigrants, we understand the dream of building a better life for our children in a new land.

For many years, our success was measured one individual and one family at a time. Today, planeloads are arriving daily. Those of us who watched Natan Shcharansky walk over the bridge to freedom could only dream that so many would follow him. Within the next few years, Israel will absorb a million new citizens. That's like the United States suddenly absorbing the entire population of France.

We need to be very clear: A loan guarantee isn't a grant. It's not even a loan from our Government. A loan guarantee is an expression of confidence. It simply means that the U.S. Government will guarantee repayment of the loans. Since Israel has never defaulted on a loan and has never even been late with loan payments, it has good credit ratings among international commercial lenders. Our guarantee will enable Israel to borrow money from American banks at more favorable rates.

Some will argue that loan guarantees should be linked to political issues such as settlements and the peace process. I disagree; we should not hold humanitarian relief hostage to political goals. Nor should we try to wring concessions out of Israel before anyone has sat down at the negotiating table.

In this case, linkage is neither useful nor in America's best interest. We can't abandon the cause of Soviet Jewry just as we are realizing our goal.

But humanitarian issues aside, what will Americans get out of Israeli loan guarantees? Israel is the only truly democratic outpost in the Middle East. It has proven time and again to be one of our strongest allies. Israel's stability, strength, and strategic position in the most volatile region of the world is of critical importance to the United States.

Recent experience in the gulf war illustrates the point. This administration long supported and sold arms to Saddam's brutal Iraqi regime. It wasn't until last August when he suddenly became another Hitler.

We shouldn't forget who our real friends are. America's bond with Israel is deep and longstanding. It's a great deal more than a passing alliance. It's our history and our future. Loan guarantees are vital to Israel's future stability in a part of the world where stability is so badly needed.

Loan guarantees would also mean American jobs and exports. Israel will be in the market for some 9,000 prefabricated houses and 33,000 mobile homes. U.S. builders, who have been suffering from the deep recession in the domestic housing market, are already expanding production to fulfill contracts financed by last year's Israeli loan guarantees. American companies and American workers can only benefit from these newest loan guarantees.

I've visited Israel five times. My wife and I lived there on a kibbutz in the exciting early days of nationhood. I've seen it endure five full-scale wars for survival and stand in constant readiness for battle. I've seen it turn desert wilderness into fertile farmland. And always, I see it provide a safe journey home to Jews from around the world.

We can be proud of the role we have played in helping to make the journey possible and we can help ease the homecoming by providing loan guarantees to Israel. I urge that we do so without delay.

THE 95TH BOMBARDMENT GROUP IN WORLD WAR II

Mr. REID. Mr. President, a reunion of World War II Army Air Corps veterans will be held from September 11 through September 15, 1991, in Reno, NV.

These men were members of the 95th Bombardment Group (Heavy). They were assigned to the 13th Combat Wing, 3d Air Division of the 8th U.S. Air Force.

Between May 13, 1943, and May 14, 1945, these men were involved in major air battles that helped to bring final victory for the Allied war effort.

The effectiveness of the air efforts are well documented. The loss of life, the prisoners of war, and the wounded statistics show the costs of the victories. The magnificent ground maintenance and support personnel stand tall in their performance as well.

The destruction of transportation systems, fuel refinery plants, and war production industries resulted in severely restricted German industrial production and combat abilities. This result saved a significant number of Allied lives.

The 95th Bombardment Group participated in all major air battles fought by the 8th Air Force. Such targets as Schweinfurt, Regensburg, Munster, Brunswick, Hanover, Bremen, and Hamburg brought terror to the crews during briefing, but none like Berlin.

Herman Goring, commander of the German Air Force, boasted to Hitler and the German people that no bombs would fall on "Big B" in daylight. He had not reckoned on the Square B—the tail marking of the 95th. On March 4, 1944, the mighty 95th made the first daylight raid on Berlin. This was the first of 17 missions that the 95th made against the German capital city.

The first mission was equated in significance to General Doolittle's daring first raid against Tokyo.

The 95th has a motto: "Justice with Victory." During the conflict the Army dropped supplies, food, and ammunition to Free French resistance forces. Food and medicine was also dropped to the citizens of Warsaw, Poland, and in Holland.

During the war the 95th participated in shuttle missions that took them from England to the hostile skies of Germany and then on to North Africa. There were also several shuttle missions from England to Russia to Italy and back to England.

At Normandy on D-day, June 6, 1944, crews of the 95th flew three missions in support of the landing forces. Soon after, these same crews flew missions in support of the efforts to breakout from the beaches and drive into France and Germany.

The men of the 95th Bombardment Group served with valor and bravery. They are still supporting their country, and they continue to deserve recognition of their valiant service from 1943 to 1945.

May God bless these aging warriors and their sponsors as they gather in reunion. I ask that these men be recognized and honored at this time.

THE 25TH ANNIVERSARY OF THE MASSACHUSETTS CENTER OF THE DEVEREUX FOUNDATION

Mr. KERRY. Mr. President, I rise to commend the Massachusetts Center of the Devereux Foundation on the occasion of its 25th anniversary. Since its creation in 1965, the Devereux Foundation has provided treatment for a great number of children with special needs.

Many of the children with whom the Devereux Foundation works have been hospitalized for psychiatric problems resulting from severe trauma. The center provides transitional programs which help these children return to their homes and schools. For older children, the center provides training in work skills which enable the children eventually to become self-supporting. The center encourages community involvement through programs such as October Fest, visits to public libraries, and participation in local sport leagues.

The Devereux Foundation also addresses the troubling issue of sexual abuse. In addition, there are programs to help children who come from families with substance abuse problems. Because the philosophy of the center is to treat each child as an individual, each child receives exactly the treatment that he or she needs.

For the last 25 years, the Massachusetts Center of the Devereux Foundation has provided treatment for children who are very much in need of assistance. I commend them for the outstanding work they have done.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

The PRESIDING OFFICER. Under the previous order, the clerk will now report the bill, H.R. 2707.

The assistant legislative clerk read as follows:

A bill (H.R. 2707) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1992, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

H.R. 2707

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1992, and for other purposes, namely:

TITLE I—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

PROGRAM ADMINISTRATION

For expenses of administering employment and training programs, **[$74,188,000]** *$73,980,000*, together with not to exceed **[$57,129,000]** *$56,952,000*, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

TRAINING AND EMPLOYMENT SERVICES

For expenses necessary to carry into effect the Job Training Partnership Act, including the purchase and hire of passenger motor vehicles, the construction, alteration, and repair of buildings and other facilities, and the purchase of real property for training centers as authorized by the Job Training Partnership Act, **[$4,027,907,000]** *$4,059,821,000* plus reimbursements, to be available for obligation for the period July 1, 1992, through June 30, 1993, of which **[$59,625,000]** *$64,000,000* shall be for carrying out section 401, **[$75,288,000]** *$80,000,000* shall be for carrying out section 402, $9,120,000 shall be for carrying out section 441, $1,848,000 shall be for the National Commission for Employment Policy, **[$2,500,000]** *$6,000,000* shall be for all activities conducted by and through the National Occupational Information Coordinating Committee under the Job Training Partnership Act, and $3,900,000 shall be for service delivery areas under section 101(a)(4)(A)(iii) of the Job Training Partnership Act in addition to amounts otherwise provided under sections 202 and 251(b) of the Act; and, in addition, **[$52,464,000]** *$80,464,000* is appropriated for necessary expenses of construction, rehabilitation, and acquisition of Job Corps centers, as authorized by the Job Training Partnership Act, in addition to amounts otherwise provided herein for the Job Corps, to be available for obligation for the period July 1, 1992 through June 30, 1995; and, in addition, $50,000,000 is appropriated for Clean Air Employment Transition Assistance under Part B of Title III of the Job Training Partnership Act, to be available for obligation for the period October 1, 1991 through June 30, 1993; and, in addition, **[$7,400,000]** *$11,223,000* is appropriated for activities authorized by title VII, subtitle C of the Stewart B. McKinney Homeless Assistance Act: *Provided,* That no funds from any other appropriation shall be used to provide meal services at or for Job Corps centers: *Provided further,* That funds appropriated under this heading in Public Law 100-436 to continue acquisition, rehabilitation, and construction of six new Job Corps centers shall be available for obligation through June 30, 1993: *Provided further, That for the period July 1, 1992, through June 30, 1993, no State shall receive more than 130 percent of its allotment percentage under section 201 of the Job Training Partnership Act for the period July 1, 1991, through June 30, 1992.*

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

To carry out the activities for national grants or contracts with public agencies and

public or private nonprofit organizations under paragraph (1)(A) of section 506(a) of title V of the Older Americans Act of 1965, as amended, [$304,481,000] *$312,000,000*.

To carry out the activities for grants to States under paragraph (3) of section 506(a) of title V of the Older Americans Act of 1965, as amended, [$85,879,000] *$88,000,000*.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

For payments during the current fiscal year of benefits and payments as authorized by title II of Public Law 95-250, as amended, and of trade adjustment benefit payments and allowances under part I, and for training, for allowances for job search and relocation, and for related State administrative expenses under part II, subchapter B, chapter 2, title II of the Trade Act of 1974, as amended, $226,250,000, together with such amounts as may be necessary to be charged to the subsequent appropriation for payments for any period subsequent to September 15 of the current year: *Provided*, That amounts received or recovered pursuant to section 208(e) of Public Law 95-250 shall be available for payments.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

For activities authorized by the Act of June 6, 1933, as amended (29 U.S.C. 49-491-1; 39 U.S.C. 3202(a)(1)(E)); title III of the Social Security Act, as amended (42 U.S.C. 502-504); necessary administrative expenses for carrying out 5 U.S.C. 8501-8523, and sections 225, 231-235 and 243-244, title II of the Trade Act of 1974, as amended; as authorized by section 7c of the Act of June 6, 1933, as amended, necessary administrative expenses under sections 101(a)(15)(H), 212 (a), (5)(A), (m)(2) and (3), (n)(1), and 218 (g) (1), (2), and (3), and 258(c) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101 et seq.); necessary administrative expenses to carry out the Targeted Jobs Tax Credit Program under section 51 of the Internal Revenue Code of 1986, and section 221(a) of the Immigration Act of 1990, [$23,377,000] *$24,700,000* together with not to exceed [$3,151,825,000] *$3,178,485,000* (including not to exceed $2,080,000 which may be used for amortization payments to States which had independent retirement plans in their State employment service agencies prior to 1980), which may be expended from the Employment Security Administration account in the Unemployment Trust Fund, and of which the sums available in the allocation for activities authorized by title III of the Social Security Act, as amended (42 U.S.C. 502-504), and the sums available in the allocation for necessary administrative expenses for carrying out 5 U.Q.C. 8501-8523, shall be available for obligation by the States through December 31, 1992, and of which $18,427,000 of the amount which may be expended from said trust fund shall be available for obligation for the period April 1, 1992, through December 31, 1992, for automation of the State activities under title III of the Social Security Act, as amended (42 U.S.C. 502-504 and 5 U.S.C. 8501-8523), and of which [$21,177,000] *$22,500,000* together with not to exceed [$783,940,000] *$815,600,000* of the amount which may be expended from said trust fund shall be available for obligation for the period July 1, 1992, through June 30, 1993, to fund activities under section 6 of the Act of June 6, 1933, as amended, including the cost of penalty mail made available to States in lieu of allotments for such purpose, and of which $12,500,000 of the amount which may be expended from said trust fund shall be available for obligation for the period September 30, 1992, through June 30, 1993, for automation of the State activities under section 6 of the Act of June 6, 1933, as amended, and of which $440,703,000 shall be available only to the extent necessary for additional State allocations to administer unemployment compensation laws to finance increases in the number of unemployment insurance claims filed and claims paid or changes in a State law: *Provided*, That to the extent that the Average Weekly Insured Unemployment (AWIU) for fiscal year 1992 is projected by the Department of Labor to exceed the 3.24 million level assumed in the President's fiscal year 1992 Budget Request, based on the Administration's December 1990 economic assumptions, an additional $30,000,000 shall be available for obligation for every 100,000 increase in the AWIU level (including a pro rata amount for any increment less than 100,000) from the Employment Security Administration Account of the Unemployment Trust Fund. The Appropriations Committees shall be notified immediately of any request by the Department to the Office of Management and Budget to apportion any of these funds.

ADVANCES TO THE UNEMPLOYMENT TRUST FUND AND OTHER FUNDS

For repayable advances to the Unemployment Trust Fund as authorized by sections 905(d) and 1203 of the Social Security Act, as amended, and to the Black Lung Disability Trust Fund as authorized by section 9501(c)(1) of the Internal Revenue Code of 1954, as amended; and for nonrepayable advances to the Unemployment Trust Fund as authorized by section 8509 of title 5, United States Code, and to the "Federal unemployment benefits and allowances" account, to remain available until September 30, 1993, $236,990,000.

LABOR-MANAGEMENT SERVICES

SALARIES AND EXPENSES

For necessary expenses for Labor-Management Services, [$95,840,000] *$94,840,000*.

PENSION BENEFIT GUARANTY CORPORATION

PENSION BENEFIT GUARANTY CORPORATION FUND

The Pension Benefit Guaranty Corporation is authorized to make such expenditures, including financial assistance authorized by section 104 of Public Law 96-364, within limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program through September 30, 1992, for such Corporation: *Provided*, That not to exceed $47,787,000 shall be available for administrative expenses of the Corporation: *Provided further*, That expenses of such Corporation in connection with the termination of pension plans, for the acquisition, protection or management, and investment of trust assets, and for benefits administration services shall be considered as nonadministrative expenses for the purposes hereof, and excluded from the above limitation.

EMPLOYMENT STANDARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Employment Standards Administration, including reimbursement to State, Federal, and local agencies and their employees for inspection services rendered, [$232,626,000] *$231,326,000*, together with $1,035,000 which may be expended from the Special Fund in accordance with sections 39(c) and 44(j) of the Longshore and Harbor Workers' Compensation Act.

SPECIAL BENEFITS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation, benefits, and expenses (except administrative expenses) accruing during the current or any prior fiscal year authorized by title 5, chapter 81 of the United States Code; continuation of benefits as provided for under the head "Civilian War Benefits" in the Federal Security Agency Appropriation Act, 1947; the Employees' Compensation Commission Appropriation Act, 1944; and sections 4(c) and 5(f) of the War Claims Act of 1948 (50 U.S.C. App. 2012); and 50 per centum of the additional compensation and benefits required by section 10(h) of the Longshore and Harbor Workers' Compensation Act, as amended, $192,000,000, together with such amounts as may be necessary to be charged to the subsequent year appropriation for the payment of compensation and other benefits for any period subsequent to August 15 of the current year: *Provided*, That such sums as are necessary may be used for a demonstration project under section 8104 of title 5, United States Code, in which the Secretary may reimburse an employer, who is not the employer at the time of injury, for portions of the salary of a reemployed, disabled beneficiary: *Provided further*, That balances of reimbursements from Federal government agencies unobligated on September 30, 1991, shall remain available until expended for the payment of compensation, benefits, and expenses: *Provided further*, That in addition there shall be transferred from the Postal Service fund to this appropriation such sums as the Secretary of Labor determines to be the cost of administration for Postal Service employees through September 30, 1992.

BLACK LUNG DISABILITY TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

For payments from the Black Lung Disability Trust Fund, $917,192,000, of which $861,135,000, shall be available until September 30, 1993, for payment of all benefits as authorized by section 9501(d) (1), (2), (4), and (7), of the Internal Revenue Code of 1954, as amended, and interest on advances as authorized by section 9501(c)(2) of that Act, and of which $30,145,000 shall be available for transfer to Employment Standards Administration, Salaries and Expenses, and $25,579,000 for transfer to Departmental Management, Salaries and Expenses, and $333,000 for transfer to Departmental Management, Office of Inspector General, for expenses of operation and administration of the Black Lung Benefits program as authorized by section 9501(d)(5)(A) of that Act: *Provided*, That in addition, such amounts as may be necessary may be charged to the subsequent year appropriation for the payment of compensation, interest, or other benefits for any period subsequent to June 15 of the current year: *Provided further*, That in addition such amounts shall be paid from this fund into miscellaneous receipts as the Secretary of the Treasury determines to be the administrative expenses of the Department of the Treasury for administering the fund during the current fiscal year, as authorized by section 9501(d)(5)(B) of that Act.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Occupational Safety and Health Administration, [$302,107,000] *$305,207,000*, including

$66,344,000, which shall be the maximum amount available for grants to States under section 23(g) of the Occupational Safety and Health Act, which grants shall be no less than fifty percent of the costs of State occupational safety and health programs required to be incurred under plans approved by the Secretary under section 18 of the Occupational Safety and Health Act of 1970: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 which is applicable to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees: *Provided further*, That none of the funds appropriated under this paragraph shall be obligated or expended to prescribe, issue, administer, or enforce any standard, rule, regulation, order or administrative action under the Occupational Safety and Health Act of 1970 affecting any work activity by reason of recreational hunting, shooting, or fishing: *Provided further*, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 with respect to any employer of ten or fewer employees who is included within a category having an occupational injury lost work day case rate, at the most precise Standard Industrial Classification Code for which such data are published, less than the national average rate as such rates are most recently published by the Secretary, acting through the Bureau of Labor Statistics, in accordance with section 24 of that Act (29 U.S.C. 673), except—

(1) to provide, as authorized by such Act, consultation, technical assistance, educational and training services, and to conduct surveys and studies;

(2) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found;

(3) to take any action authorized by such Act with respect to imminent dangers;

(4) to take any action authorized by such Act with respect to health hazards;

(5) to take any action authorized by such Act with respect to a report of an employment accident which is fatal to one or more employees or which results in hospitalization of [one] *five* or more employees, and to take any action pursuant to such investigation authorized by such Act; and

(6) to take any action authorized by such Act with respect to complaints of discrimination against employees for exercising rights under such Act:

Provided further, That the foregoing proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employs ten or fewer employees.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses for the Mine Safety and Health Administration, [$186,157,000] *$185,364,000*, including purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work, and the hire of passenger motor vehicles; the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private; the Mine Safety and Health Administration is authorized to promote health and safety education and training in the mining community through cooperative programs with States, industry, and safety associations; and any funds available to the Department may be used, with the approval of the Secretary, to provide for the costs of mine rescue and survival operations in the event of major disaster: *Provided*, That none of the funds appropriated under this paragraph shall be obligated or expended to carry out section 115 of the Federal Mine Safety and Health Act of 1977 or to carry out that portion of section 104(g)(1) of such Act relating to the enforcement of any training requirements, with respect to shell dredging, or with respect to any sand, gravel, surface stone, surface clay, colloidal phosphate, or surface limestone mine.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

For necessary expenses for the Bureau of Labor Statistics, including advances or reimbursements to State, Federal, and local agencies and their employees for services rendered, [$258,504,000] *$223,293,000*, together with not to exceed [$50,399,000] *$48,599,000*, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses for Departmental Management, including the hire of 5 sedans, and including [$4,078,000] *$4,740,000* for the President's Committee on Employment of People With Disabilities, [$144,319,000] *$141,280,000*, together with not to exceed $332,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

WORKING CAPITAL FUND

Funds received for services rendered to any entity or person for use of Departmental facilities, including associated utilities and security services, shall be credited to and merged with this fund.

ASSISTANT SECRETARY FOR VETERANS EMPLOYMENT AND TRAINING

Not to exceed $174,759,000 may be derived from the Employment Security Administration account in the Unemployment Trust Fund to carry out the provisions of 38 U.S.C. 2001–10 and 2021–26.

OFFICE OF INSPECTOR GENERAL

For salaries and expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, [$46,636,000] *$45,359,000*, together with not to exceed $4,357,000, which may be expended from the Employment Security Administration account in the Unemployment Trust Fund.

GENERAL PROVISIONS

SEC. 101. Appropriations in this Act available for salaries and expenses shall be available for supplies, services, and rental of conference space within the District of Columbia, as the Secretary of Labor shall deem necessary for settlement of labor-management disputes.

SEC. 102. None of the funds appropriated under this Act shall be used to grant variances, interim orders or letters of clarification to employers which will allow exposure of workers to chemicals or other workplace hazards in excess of existing Occupational Safety and Health Administration standards for the purpose of conducting experiments on workers health or safety.

SEC. 103. Notwithstanding any other provision of this Act, no funds appropriated by this Act may be used to execute or carry out any contract with a non-governmental entity to administer or manage a Civilian Conservation Center of the Job Corps.

SEC. 104. None of the funds appropriated in this Act shall be used by the Job Corps program to pay the expenses of legal counsel or representation in any criminal case or proceeding for a Job Corps participant, unless certified to and approved by the Secretary of Labor that a public defender is not available.

This title may be cited as the "Department of Labor Appropriations Act, 1992".

TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

For carrying out titles III, VII, VIII, X, XIX, XXVI, and XXVII of the Public Health Service Act, section 427(a) of the Federal Coal Mine Health and Safety Act, title V of the Social Security Act, the Health Care Quality Improvement Act of 1986, as amended, Public Law 101–527, Public Law 100–579, and the Native Hawaiian Health Care Act of 1988, [$2,137,533,000] *$2,389,822,000*, of which $450,000 shall remain available until expended for interest subsidies on loan guarantees made prior to fiscal year 1981 under part B of title VII of the Public Health Service Act: *Provided*, That of the funds made available under this heading *for healthy start*, [$86,000,000] *$50,000,000* shall not become available for obligation until September [19,] *30, 1992: Provided further, That $55,000,000 shall be transferred from "Educational Excellence" appropriation from title III*: *Provided further*, That when the Department of Health and Human Services administers or operates an employee health program for any Federal department or agency, payment for the full estimated cost shall be made by way of reimbursement or in advance to this appropriation: *Provided further, That $2,000,000 of the funds available under this heading shall be used to establish an Office of Adolescent Health*: *Provided further*, That user fees authorized by 31 U.S.C. 9701 may be credited to appropriations under this heading, notwithstanding 31 U.S.C. 3302.

MEDICAL FACILITIES GUARANTEE AND LOAN FUND

FEDERAL INTEREST SUBSIDIES FOR MEDICAL FACILITIES

For carrying out subsections (d) and (e) of section 1602 of the Public Health Service Act, $19,000,000, together with any amounts received by the Secretary in connection with loans and loan guarantees under title VI of the Public Health Service Act, to be available without fiscal year limitation for the payment of interest subsidies. During the fiscal year, no commitments for direct loans or loan guarantees shall be made.

HEALTH EDUCATION ASSISTANCE LOANS PROGRAM

For the cost, as defined in section 13201 of the Budget Enforcement Act of 1990, including the cost of modifying loans, of guaranteed loans authorized by Title VII of the Public Health Service Act, as amended, such sums as may be necessary to carry out the purpose of the program [: *Provided*, That these funds are available to subsidize gross obligations for the total loan principal any part of which is to be guaranteed at not to

exceed $260,000,000]. In addition, for administrative expenses to carry out the guaranteed loan program, $1,500,000.

VACCINE INJURY COMPENSATION

For payments from the Vaccine Injury Compensation Trust Fund, such sums as may be necessary for claims associated with vaccine-related injury or death with respect to vaccines administered after September 30, 1988, pursuant to subtitle 2 of title XXI of the Public Health Service Act, to remain available until expended: *Provided*, That for necessary administrative expenses, not to exceed $2,500,000 shall be available from the Trust Fund to the Secretary of Health and Human Services.

For compensation of claims resolved by the United States Claims Court related to the administration of vaccines before October 1, 1988, $80,000,000, to remain available until expended.

CENTERS FOR DISEASE CONTROL

DISEASE CONTROL, RESEARCH, AND TRAINING

To carry out titles III, section 794 of title VII, XV, XVII, XIX, and section 1102 of the Public Health Service Act, sections 101, 102, 103, 201, 202, and 203 of the Federal Mine Safety and Health Act of 1977, and sections 20, 21, and 22 of the Occupational Safety and Health Act of 1970; including insurance of official motor vehicles in foreign countries; and hire, maintenance, and operation of aircraft, [$1,390,662,000] *$1,525,982,000, of which* [$6,338,000] *$38,338,000* shall remain available until expended for equipment and construction and renovation of facilities[: *Provided*, That of the funds made available under this heading, $94,000,000 shall not become available for obligation until September 19, 1992]: *Provided further*, That training of private persons shall be made subject to reimbursement or advances to this appropriation for not in excess of the full cost of such training: *Provided further*, That funds appropriated under this heading shall be available for payment of the costs of medical care, related expenses, and burial expenses hereafter incurred by or on behalf of any person who had participated in the study of untreated syphilis initiated in Tuskegee, Alabama, in 1932, in such amounts and subject to such terms and conditions as prescribed by the Secretary of Health and Human Services and for payment, in such amounts and subject to such terms and conditions, of such costs and expenses hereafter incurred by or on behalf of such person's wife or offspring determined by the Secretary to have suffered injury or disease from syphilis contracted from such person: *Provided further*, That collections from user fees may be credited to this appropriation: *Provided further*, That amounts received by the National Center for Health Statistics from reimbursable and interagency agreements and the sale of data tapes may be credited to this appropriation and shall remain available until expended: *Provided further*, That in addition to amounts provided herein, up to [$25,000,000] *$33,800,000* shall be available from amounts available under section 2711 of the Public Health Service Act, to carry out the National Center for Health Statistics surveys: *Provided further*, That employees of the Public Health Service, both civilian and Commissioned Officer, detailed to States or municipalities as assignees under authority of section 214 of the Public Health Service Act in the instance where in excess of 50 percent of salaries and benefits of the assignee is paid directly or indirectly by the State or municipality, and employees of the National Center for Health Statistics, who are assisting other Federal organizations on data collection and analysis and whose salaries are fully reimbursed by the organizations requesting the services, shall be treated as non-Federal employees for reporting purposes only.

NATIONAL INSTITUTES OF HEALTH

NATIONAL CANCER INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to cancer, [$1,830,509,000: *Provided*, That of the funds made available under this heading, $63,446,000 shall not become available for obligation until September 19, 1992] *$2,010,230,000, of which $184,647,000 shall not be available for obligation until September 30, 1992, but shall be available until September 30, 1993.*

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

For carrying out sections 301 and 1105 and title IV of the Public Health Service Act with respect to cardiovascular, lung, and blood diseases, and blood and blood products, [$1,202,398,000: *Provided*, That of the funds made available under this heading, $54,555,000 shall not become available for obligation until September 19, 1992] *$1,190,396,000.*

NATIONAL INSTITUTE OF DENTAL RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to dental disease, [$161,235,000: *Provided*, That of the funds made available under this heading, $7,903,000 shall not become available for obligation until September 19, 1992] *$158,266,000.*

NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to diabetes and digestive and kidney diseases, [$667,820,000: *Provided*, That of the funds made available under this heading, $28,457,000 shall not become available for obligation until September 19, 1992] *$652,861,000.*

NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

For carrying out section 301 and title IV of the Public Health Service Act with respect to neurological disorders and stroke, [$583,355,000: *Provided*, That of the funds made available under this heading, $27,357,000 shall not become available for obligation until September 19, 1992] *$583,386,000.*

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to allergy and infectious diseases, [$972,830,000: *Provided*, That of the funds made available under this heading, $45,627,000 shall not become available for obligation until September 19, 1992] *$959,952,000.*

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to general medical sciences, [$820,160,000: *Provided*, That of the funds made available under this heading, $48,104,000 shall not become available for obligation until September 19, 1992] *$815,158,000.*

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

For carrying out section 301 and title IV of the Public Health Service Act with respect to child health and human development, [$524,661,000: *Provided*, That of the funds made available under this heading, $27,368,000 shall not become available for obligation until September 19, 1992] *$523,826,000.*

NATIONAL EYE INSTITUTE

For carrying out section 301 and title IV of the Public Health Service Act with respect to eye diseases and visual disorders, [$272,260,000: *Provided*, That of the funds made available under this heading, $12,504,000 shall not become available for obligation until September 19, 1992] *$267,229,000.*

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

For carrying out sections 301 and 311, and title IV of the Public Health Service Act with respect to environmental health sciences, [$254,912,000: *Provided*, That of the funds made available under this heading, $8,846,000 shall not become available for obligation until September 19, 1992] *$250,873,000.*

NATIONAL INSTITUTE ON AGING

For carrying out section 301 and title IV of the Public Health Service Act with respect to aging, [$362,528,000: *Provided*, That of the funds made available under this heading, $16,308,000 shall not become available for obligation until September 19, 1992] *$363,176,000.*

NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

For carrying out section 301 and title IV of the Public Health Service Act with respect to arthritis, and musculoskeletal and skin diseases, [$204,977,000: *Provided*, That of the funds made available under this heading, $7,593,000 shall not become available for obligation until September 19, 1992] *$203,076,000.*

NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS

For carrying out section 301 and title IV of the Public Health Service Act with respect to deafness and other communication disorders, [$144,495,000: *Provided*, That of the funds made available under this heading, $7,486,000 shall not become available for obligation until September 19, 1992] *$151,608,000.*

NATIONAL CENTER FOR RESEARCH RESOURCES

For carrying out section 301 and title IV of the Public Health Service Act with respect to research resources and general research support grants, [$309,200,000: *Provided*, That of the funds made available under this heading, $15,000,000 shall not become available for obligation until September 19, 1992: *Provided further*, That none of these funds shall be used to pay recipients of the general research support grants program any amount for indirect expenses in connection with such grants] *$317,227,000.*

NATIONAL CENTER FOR NURSING RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to nursing research, [$43,143,000: *Provided*, That of the funds made available under this heading, $2,646,000 shall not become available for obligation until September 19, 1992] *$45,880,000.*

NATIONAL CENTER FOR HUMAN GENOME RESEARCH

For carrying out section 301 and title IV of the Public Health Service Act with respect to human genome research, [$93,115,000: *Provided*, That of the funds made available under this heading, $10,000,000 shall not become available for obligation until September 19, 1992] *$109,309,000.*

JOHN E. FOGARTY INTERNATIONAL CENTER

For carrying out the activities at the John E. Fogarty International Center, $19,922,000[: *Provided*, That of the funds made available under this heading, $800,000 shall not become available for obligation until September 19, 1992].

NATIONAL LIBRARY OF MEDICINE

For carrying out section 301 and title IV of the Public Health Service Act with respect to health information communications, [$99,565,000: *Provided*, That of the funds made available under this heading, $3,500,000 shall not become available for obligation until September 19, 1992] *$100,549,000*.

OFFICE OF THE DIRECTOR

For carrying out the responsibilities of the Office of the Director, National Institutes of Health, [$149,176,000] *$133,724,000, of which* $25,000,000 shall be for the support of [a clinical trial on the women's health] *the women's health study* and shall remain available until September 30, 1993[: *Provided*, That of the funds made available under this heading, $12,500,000 shall not become available for obligation until September 19, 1992: *Provided further*, That funding shall be available for the purchase of not to exceed five passenger motor vehicles for replacement only]*: Provided, That $10,000,000 of this amount shall be available for extramural facilities construction grants if awarded competitively: Provided further, That the Director may direct up to 1 percent of the total amount made available in this Act to all National Institutes of Health appropriations to high-priority activities the Director may so designate: Provided further, That no such appropriation shall be increased or decreased by more the 1 percent by any such transfers and that the Congress is promptly notified of the transfer.*

BUILDINGS AND FACILITIES

For construction of, and acquisition of equipment for, facilities of or used by the National Institutes of Health, *including the acquisition of real property* [$108,625,000] *$102,885,000* to remain available until expended.

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH

For carrying out the Public Health Service Act with respect to mental health, drug abuse, alcohol abuse, and alcoholism, section 3521 of Public Law 100-690, section 612 of Public Law 100-77, and the Protection and Advocacy for Mentally Ill Individuals Act of 1986, [$2,917,742,000] *$3,118,832,000*, of which $5,000,000 for renovation of government owned or leased intramural research facilities shall remain available until expended.

ASSISTANT SECRETARY FOR HEALTH

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

For the expenses necessary for the Office of the Assistant Secretary for Health and for carrying out titles III, XVII, and XXI of the Public Health Service Act, [$71,318,000] *54,302,000*, and, in addition, amounts received by the Public Health Service from Freedom of Information Act fees, reimbursable and interagency agreements and the sale of data tapes shall be credited to this appropriation and shall remain available until expended.

RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS

For retirement pay and medical benefits of Public Health Service Commissioned Officers as authorized by law, and for payments under the Retired Serviceman's Family Protection Plan and Survivor Benefit Plan and for medical care of dependents and retired personnel under the Dependents' Medical Care Act (10 U.S.C. ch. 55), and for payments pursuant to section 229(b) of the Social Security Act (42 U.S.C. 429(b)), such amounts as may be required during the current fiscal year.

AGENCY FOR HEALTH CARE POLICY AND RESEARCH

HEALTH CARE POLICY AND RESEARCH

For carrying out titles III and IX of the Public Health Service Act, and part A of title XI of the Social Security Act, [$95,756,000] *$69,283,000* together with not to exceed [$4,880,000] *$6,723,000* to be transferred from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as authorized by section 1142 of the Social Security Act and not to exceed [$1,012,000] *$1,050,000* to be transferred from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as authorized by section 201(g) of the Social Security Act; and, in addition, amounts received from Freedom of Information Act fees, reimbursable and interagency agreements, and the sale of data tapes shall be credited to this appropriation and shall remain available until expended: *Provided*, That the amount made available pursuant to section 926(b) of the Public Health Service Act shall not exceed [$13,444,000] *$49,944,000*.

HEALTH CARE FINANCING ADMINISTRATION

GRANTS TO STATES FOR MEDICAID

For carrying out, except as otherwise provided, titles XI and XIX of the Social Security Act, $46,399,149,000, to remain available until expended.

For making, after May 31, 1992, payments to States under title XIX of the Social Security Act for the last quarter of fiscal year 1992 for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States under title XIX of the Social Security Act for the first quarter of fiscal year 1993, $17,100,000,000, to remain available until expended.

Payment under title XIX may be made for any quarter with respect to a State plan or plan amendment in effect during such quarter, if submitted in or prior to such quarter and approved in that or any subsequent quarter.

PAYMENTS TO HEALTH CARE TRUST FUNDS

For payment to the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds, as provided under sections 217(g) and 1844 of the Social Security Act, sections 103(c) and 111(d) of the Social Security Amendments of 1965, section 278(d) of Public Law 97-248, and for administrative expenses incurred pursuant to section 201(g) of the Social Security Act, [$39,421,485,000] *$39,401,083,000*.

PROGRAM MANAGEMENT

For carrying out, except as otherwise provided, titles XI, XVIII, and XIX of the Social Security Act, title XIII of the Public Health Service Act, the Clinical Laboratory Improvement Amendments of 1988, section 4360 of Public Law 101-508, and section 4005(e) of Public Law 100-203, not to exceed [$2,282,055,000] *$1,985,901,000* to be transferred to this appropriation as authorized by section 201(g) of the Social Security Act, from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds: *Provided*, That $257,000,000 of said trust funds shall be expended only to the extent necessary to meet unanticipated costs of agencies or organizations with which agreements have been made to participate in the administration of title XVIII and after maximum absorption of such costs within the remainder of the existing limitation has been achieved: *Provided further, That the Secretary shall make a determination prior to October 31, 1991, and thereafter prior to the first day of each quarter of the fiscal year, about the extent to which such contingency funds may be necessary to be expended and that the distribution of such funds shall be made on the same basis as funds otherwise provided in this account: Provided further*, That all funds derived in accordance with 31 U.S.C. 9701 from organizations established under title XIII of the Public Health Service Act are to be credited to this appropriation: *Provided further*, That all funds collected in accordance with section 353 of the Public Health Service Act are to be credited to this appropriation to remain available until expended.

SURVEY AND CERTIFICATION EMERGENCY FUND

For the purpose of establishing a "Survey and Certification Emergency Fund" in the United States Treasury, to be available only for payments under titles XVIII and XIX of the Social Security Act (including payments to the trust funds created under such title XVIII) for direct and indirect costs of survey and certification of providers in fiscal year 1992, to the extent that such costs are not paid by fees collected from providers, $306,804,000: Provided, That all funds available under this heading are hereby designated by Congress to be emergency requirements pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That these funds shall be made available only after submission to Congress of a formal budget request by the President that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985: Provided further, That the President shall determine the appropriate amounts necessary to meet emergency needs and the allocation of these amounts among the programs under such titles XVIII and XIX.

SOCIAL SECURITY ADMINISTRATION

PAYMENTS TO SOCIAL SECURITY TRUST FUNDS

For payment to the Federal Old-Age and Survivors Insurance and the Federal Disability Insurance Trust Funds, as provided under sections 201(m), 228(g), and 1131(b)(2) of the Social Security Act, and section 274A(d)(3)(E) of the Immigration and Nationality Act, $40,968,000.

SPECIAL BENEFITS FOR DISABLED COAL MINERS

For carrying out title IV of the Federal Mine Safety and Health Act of 1977, including the payment of travel expenses on an actual cost or commuted basis, to an individual, for travel incident to medical examinations, and when travel of more than 75 miles is required, to parties, their representatives, and all reasonably necessary witnesses for travel within the United States, Puerto Rico, and the Virgin Islands, to reconsideration interviews and to proceedings before administrative law judges, $617,336,000, to remain available until expended: *Provided*, That monthly benefit payments shall be paid consistent with section 215(g) of the Social Security Act.

For making, after July 31 of the current fiscal year, benefit payments to individuals under title IV of the Federal Mine Safety and Health Act of 1977, for costs incurred in the current fiscal year, such amounts as may be necessary.

For making benefit payments under title IV of the Federal Mine Safety and Health Act of 1977 for the first quarter of fiscal year 1993, $198,000,000, to remain available until expended.

SUPPLEMENTAL SECURITY INCOME PROGRAM

For carrying out the Supplemental Security Income Program, title XI of the Social Security Act, section 401 of Public Law 92-

603, section 212 of Public Law 93-66, as amended, and section 405 of Public Law 95-216, including payment to the Social Security trust funds for administrative expenses incurred pursuant to section 201(g)(1) of the Social Security Act, [$13,926,491,000] *$13,929,491,000*, to remain available until expended: *Provided*, That any portion of the funds provided to a State in the current fiscal year and not obligated by the State during that year shall be returned to the Treasury: *Provided*, That for fiscal year 1992 and thereafter, all collections from repayments of overpayments shall be deposited in the general fund of the Treasury.

For making, after July 31 of the current fiscal year, benefit payments to individuals under title XVI of the Social Security Act, for unanticipated costs incurred for the current fiscal year, such sums as may be necessary.

For carrying out the Supplemental Security Income Program for the first quarter of fiscal year 1993, $5,240,000,000, to remain available until expended.

LIMITATION ON ADMINISTRATIVE EXPENSES

For necessary expenses, not more than [$4,582,000,000] *$4,442,000,000* may be expended, as authorized by section 201(g)(1) of the Social Security Act, from any one or all of the trust funds referred to therein: *Provided*, That travel expense payments under section 1631(h) of such Act for travel to hearings may be made only when travel of more than seventy-five miles is required: *Provided further*, That [$100,000,000] *$50,000,000* of the foregoing amount shall be apportioned for use only to the extent necessary to process workloads not anticipated in the budget estimates, for automation projects and their impact on the work force, and to meet mandatory increases in costs of agencies or organizations with which agreements have been made to participate in the administration of titles XVI and XVIII and section 221 of the Social Security Act, and after maximum absorption of such costs within the remainder of the existing limitation has been achieved[: *Provided further*, That of the total amount provided, $80,000,000 shall not become available for obligation until September 19, 1992].

ADMINISTRATION FOR CHILDREN AND FAMILIES

FAMILY SUPPORT PAYMENTS TO STATES

For making payments to States or other non-Federal entities, except as otherwise provided, under titles I, IV-A and -D, X, XI, XIV, and XVI of the Social Security Act, and the Act of July 5, 1960 (24 U.S.C. ch. 9), [$11,862,146,000] *$11,901,046,000*, to remain available until expended: *Provided, That amounts payable to any State under section 455(a) of the Social Security Act shall be reduced by the amounts of fees charged to that State under section 453 of the Act but remaining unpaid.*

For making, after May 31 of the current fiscal year, payments to States or other non-Federal entities under titles I, IV-A and -D, X, XI, XIV, and XVI of the Social Security Act, for the last three months of the current year for unanticipated costs, incurred for the current fiscal year, such sums as may be necessary.

For making payments to States or other non-Federal entities under titles I, IV-A and -D, X, XI, XIV, and XVI of the Social Security Act and the Act of July 5, 1960 (24 U.S.C. ch. 9) for the first quarter of fiscal year 1993, $4,000,000,000, to remain available until expended.

PAYMENTS TO STATES FOR AFDC WORK PROGRAMS

For carrying out aid to families with dependent children work programs, as authorized by part F of title IV of the Social Security Act, $1,000,000,000.

LOW INCOME HOME ENERGY ASSISTANCE

For making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, [$1,000,000,000] *$1,300,000,000*, of which [$50,000,000] *$445,000,000* shall become available for making payments on September 30, 1992.

For making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981, an additional [$600,000,000] *$300,000,000*: *Provided*, That all funds available under this paragraph are hereby designated by Congress to be emergency requirements pursuant to section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985: *Provided further*, That these funds shall be made available only after submission to Congress of a formal budget request by the President that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985.

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96-422), [$294,014,000, of which $117,600,000 shall be available for State cash and medical assistance, except that no funds shall be available for State cash and medical assistance after March 31, 1992] *$410,630,000: Provided, That of the funds made available under this heading for State cash and medical assistance, $116,616,000 shall not become available for obligation until September 30, 1992.*

INTERIM ASSISTANCE TO STATES FOR LEGALIZATION

Section 204(a)(1)(C) of the Immigration Reform and Control Act of 1986 is amended by striking "1992" and inserting in its place "1993".

Section 204(b) of the Immigration Reform and Control Act of 1986 is amended by adding the following paragraph:

"(5) For fiscal year 1993, the Secretary shall make allotments to States under paragraph (1) no later than October 15, 1992."

COMMUNITY SERVICES BLOCK GRANT

For making payments under the Community Services Block Grant Act and the Stewart B. McKinney Homeless Assistance Act, [$420,724,000, of which $40,868,000 shall be for carrying out section 681(a) of the Community Services Block Grant Act,] *$451,431,000 of which $22,000,000 shall be for carrying out section 681(a)(2)(A), $4,099,000 shall be for carrying out section 681(a)(2)(D), $3,025,000 shall be for carrying out section 681(a)(2)(E), $10,832,000 shall be for carrying out section 681(a)(2)(F), $244,000 shall be for carrying out section 681(a)(3), $4,050,000 shall be for carrying out section 408 of Public Law 99-425*, and of which [$5,484,000] *$7,000,000* shall be for carrying out section 681A of said Act with respect to the community food and nutrition program: *Provided, That the funds made available under this heading for carrying out section 681(a)(2)(A) of the Community Services Block Grant Act shall not become available for obligation until September 25, 1992.*

PAYMENTS TO STATES FOR CHILD CARE ASSISTANCE

For carrying out sections 658A through 658R of the Omnibus Budget Reconciliation Act of 1981, $825,000,000, which shall not become available for obligation until September 19, 1992. For carrying out section 402(g)(6) of the Social Security Act, [$25,000,000] *$13,000,000*.

PROGRAM ADMINISTRATION

For necessary administrative expenses to carry out titles I, IV, X, XI, XIV, and XVI of the Social Security Act, the Act of July 5, 1960 (24 U.S.C. ch. 9), the Omnibus Budget Reconciliation Act of 1981, section 204 of the Immigration Reform and Control Act of 1986, title IV of the Immigration and Nationality Act, section 501 of the Refugee Education Assistance Act of 1980, Public Law 100-77, and section 126 and titles IV and V of Public Law 100-485, [$87,500,000, together with such sums as may be collected, which shall be credited to this account as offsetting collections, from fees authorized under section 453 of the Social Security Act] *$89,828,000, together with amounts to be transferred from the account "Family Support Payments to States" equal to the reduction in payments from that account because of the costs incurred by the Secretary of Health and Human Services in reviewing sample cases for quality control purposes as required by section 408(b)(1)(B) of the Social Security Act, and because of the offsets applied for fees owed by the States for their use of the Federal Parent Locator Service authorized under section 453 of the Act: Provided*, That of the funds appropriated in Public Law 101-166 for the Commission on Interstate Child Support, $400,000 shall remain available through September 30, 1992.

SOCIAL SERVICES BLOCK GRANT

For monthly payments to States for carrying out the Social Services Block Grant Act, $2,800,000,000.

HUMAN DEVELOPMENT SERVICES

(INCLUDING RESCISSION)

For carrying out, except as otherwise provided, the Runaway and Homeless Youth Act, the Older Americans Act of 1965, the Developmental Disabilities Assistance and Bill of Rights Act, the State Dependent Care Development Grants Act, the Head Start Act, the Child Development Associate Scholarship Assistance Act of 1985, the Child Abuse Prevention and Treatment Act, chapters 1 and 2 of subtitle B of title III of the Anti-Drug Abuse Act of 1988, the Family Violence Prevention and Services Act, the Native American Programs Act of 1974, title II of Public Law 95-266 (adoption opportunities), the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986, the Comprehensive Child Development Act, the Abandoned Infants Assistance Act of 1988, section 10404 of Public Law 101-239 (volunteer senior aides demonstration) and part B of title IV and section 1110 of the Social Security Act, [$3,496,357,000, of which up to $6,225,000 shall remain available until expended for information resources management] *$3,553,828,000: Provided, That of the funds made available under the heading for carrying out the Older Americans Act of 1965, $25,000,000 shall not become available for obligation until February 1, 1992: Provided further, That $250,000,000 shall be transferred from "Educational Excellence" appropriation from title III.*

[Of the funds provided under this heading in Public Law 101-517 for carrying out the Child Care and Development Block Grant Act of 1990, $144,925,000 are hereby rescinded.]

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

For carrying out part E of title IV of the Social Security Act, $2,614,005,000, of which

$118,476,000 shall be for payment of prior years' claims.

OFFICE OF THE SECRETARY

GENERAL DEPARTMENTAL MANAGEMENT

For necessary expenses, not otherwise provided, for general departmental management, including hire of six medium sedans, [$91,673,000, of which $24,079,000 shall be available for expenses necessary for the Office of the General Counsel,] *$79,444,000;* together with [$31,001,000, of which $26,031,000 shall be available for expenses necessary for the Office of the General Counsel,] *$30,350,000* to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $63,842,000, together with not to exceed $37,833,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, $18,524,000, together with not to exceed $4,000,000, to be transferred and expended as authorized by section 201(g)(1) of the Social Security Act from any one or all of the trust funds referred to therein.

POLICY RESEARCH

For carrying out, to the extent not otherwise provided, research studies under section 1110 of the Social Security Act, $5,037,000.

GENERAL PROVISIONS

SEC. 201. None of the funds made available by this Act for the National Institutes of Health, except for those appropriated to the "Office of the Director", may be used to provide forward funding or multiyear funding of research project grants except in those cases where the Director of the National Institutes of Health has determined that such funding is specifically required because of the scientific requirements of a particular research project grant.

SEC. 202. Appropriations in this or any other Act shall be available for expenses for active commissioned officers in the Public Health Service Reserve Corps and for not to exceed 2,400 commissioned officers in the Regular Corps; expenses incident to the dissemination of health information in foreign countries through exhibits and other appropriate means; advances of funds for compensation, travel, and subsistence expenses (or per diem in lieu thereof) for persons coming from abroad to participate in health or scientific activities of the Department pursuant to law; expenses of primary and secondary schooling of dependents in foreign countries, of Public Health Service commissioned officers stationed in foreign countries, at costs for any given area not in excess of those of the Department of Defense for the same area, when it is determined by the Secretary that the schools available in the locality are unable to provide adequately for the education of such dependents, and for the transportation of such dependents between such schools and their places of residence when the schools are not accessible to such dependents by regular means of transportation; expenses for medical care for civilian and commissioned employees of the Public Health Service and their dependents assigned abroad on a permanent basis in accordance with such regulations as the Secretary may provide; rental or lease of living quarters (for periods not exceeding five years), and provision of heat, fuel, and light and maintenance, improvement, and repair of such quarters, and advance payments therefore, for civilian officers and employees of the Public Health Service who are United States citizens and who have a permanent station in a foreign country; purchase, erection, and maintenance of temporary or portable structures; and for the payment of compensation to consultants or individual scientists appointed for limited periods of time pursuant to section 207(f) or section 207(g) of the Public Health Service Act, at rates established by the Assistant Secretary for Health, or the Secretary where such action is required by statute, not to exceed the per diem rate equivalent to the maximum rate payable for senior-level positions under 5 U.S.C. 5376.

SEC. 203. None of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; *or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service. Nor are payments prohibited for drugs or devices to prevent implantation of the fertilized ovum, or for medical procedures necessary for the termination of an ectopic pregnancy: Provided, That the Secretary of Health and Human Services shall promulgate regulations governing this section.*

SEC. 204. Funds advanced to the National Institutes of Health Management Fund from appropriations in this Act shall be available for the expenses of sharing medical care facilities and resources pursuant to section 327A of the Public Health Service Act.

SEC. 205. Funds appropriated in this title shall be available for not to exceed $37,000 for official reception and representation expenses when specifically approved by the Secretary.

SEC. 206. Amounts received from employees of the Department in payment for room and board may be credited to the appropriation accounts which finance the activities of the Public Health Service.

SEC. 207. None of the funds made available by this Act shall be used to provide special retention pay (bonuses) under paragraph (4) of 37 U.S.C. 302(a) to any regular or reserve medical officer of the Public Health Service for any period during which the officer is assigned to the clinical, research, or staff associate program administered by the National Institutes of Health or the Alcohol, Drug Abuse, and Mental Health Administration.

SEC. 208. Funds provided in this Act may be used for one-year contracts which are to be performed in two fiscal years, so long as the total amount for such contracts is obligated in the year for which the funds are appropriated.

SEC. 209. The Secretary shall make available through assignment not more than 60 employees of the Public Health Service to assist in child survival activities and to work in AIDS programs through and with funds provided by the Agency for International Development, the United Nations International Children's Emergency Fund or the World Health Organization.

SEC. 210. For the purpose of insuring proper management of federally supported computer systems and data bases, funds appropriated by this Act are available for the purchase of dedicated telephone service between the private residences of employees assigned to computer centers funded under this Act, and the computer centers to which such employees are assigned.

SEC. 211. None of the funds appropriated by this title shall be used to pay for any research program or project or any program, project, or course which is of an experimental nature, or any other activity involving human participants, which is determined by the Secretary or a court of competent jurisdiction to present a danger to the physical, mental, or emotional well-being of a participant or subject of such program, project, or course, without the written, informed consent of each participant or subject, or a participant's parents or legal guardian, if such participant or subject is under eighteen years of age. The Secretary shall adopt appropriate regulations respecting this section.

SEC. 212. None of the funds appropriated in this title for the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of $125,000 per year.

SEC. 213. No funds appropriated under this Act shall be used by the National Institutes of Health, or any other Federal agency, or recipient of Federal funds on any project that entails the capture or procurement of chimpanzees obtained from the wild. For purposes of this section, the term "recipient of Federal funds" includes private citizens, corporations, or other research institutions located outside of the United States that are recipients of Federal funds.

[SEC. 214. The amount otherwise provided in this title for "OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH" and "GENERAL DEPARTMENTAL MANAGEMENT" are decreased by $2,000,000 and $10,000,000, respectively, and for "HUMAN DEVELOPMENT SERVICES (INCLUDING RESCISSION)" are increased by $12,000,000.]

SEC. 214. Travel expenses of the Department of Health and Human Services are hereby reduced by $8,000,000: Provided, That the reduction for travel costs shall be from the amounts set forth therefor in the budget estimates submitted for the appropriations.

This title may be cited as the "Department of Health and Human Services Appropriations Act, 1992".

TITLE III—DEPARTMENT OF EDUCATION

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

For carrying out the activities authorized by chapter 1 of title I of the Elementary and Secondary Education Act of 1965, as amended, and by section 418A of the Higher Education Act, [$7,075,750,000] *$6,284,526,000,* of which [$7,042,750,000] *$6,256,202,000* shall become available on July 1, 1992 and shall remain available through September 30, 1993: *Provided,* That [$5,805,000,000] *$5,176,575,000* shall be available for basic grants under section 1005, [$645,000,000] *$575,175,000* shall be available for concentration grants under section 1006, [$100,000,000] *$54,500,000* shall be available for the Even Start program under part B, of which not to exceed 2 percent shall be available for a national evaluation and not to exceed 5 percent shall be available for State administration, [$322,000,000] *$294,596,000* shall be available for migrant education activities under subpart 1 of part D, [$36,000,000] *$36,108,000* shall be available for delinquent and neglected education activities under subpart 3 of part D, [$64,500,000] *$59,140,000* shall be for State administration under section 1404, and [$32,250,000] *$18,000,000* shall be for program improvement activities under section 1405: *Provided further,* That no State shall receive less than $340,000 from the amounts made

available under this appropriation for concentration grants under section 1006: *Provided further*, That no State shall receive less than $375,000 from the amounts made available under this appropriation for State administration grants under section 1404: *Provided further, That no State shall receive less than $90,000 and no Outlying Area shall receive less than $15,000 from the amounts made available under this appropriation for State program improvement grants under section 1405. From the amounts appropriated for part A of chapter 1, an amount not to exceed $100,000,000 may be used to carry out educational improvement activities only if such activities are specifically authorized in law prior to December 31, 1991: Provided further, That the allocation of these funds, which may be transferred as necessary to other Department of Education accounts, shall be requested by the Secretary of Education and approved by the House and Senate committees on appropriations based on authorizing legislation enacted into law as of December 31, 1991.*

IMPACT AID

For carrying out programs of financial assistance to federally affected schools as authorized by Public Laws 81-815 and 81-874, as amended, [$764,756,000] *$769,708,000*, of which [$585,540,000] *$588,540,000* shall be for payments under section 3(a), $136,626,000 shall be for payments under section 3(b), $16,590,000 shall be for Federal property payments under section 2, *$1,952,000, to remain available until expended, shall be for payments for decreases in Federal activities under section 3(e)* and $26,000,000, to remain available until expended, shall be for construction and renovation of school facilities including $10,000,000 for awards under section 10, $10,000,000 for awards under sections 14(a) and 14(b), and $6,000,000 for awards under sections 5 and 14(c): *Provided*, That none of the funds available for section 3 shall be used for payments under section 5(b)(2): *Provided further*, That funds available for section 2 may be used for payments under section 5(b)(2) of 50 percent of a local educational agency's payment for the prior fiscal year based on its entitlement established under section 2: *Provided further*, That all payments under section 3 shall be based on the number of children who, during the prior fiscal year, were in average daily attendance at the schools of a local educational agency and for whom such agency provided free public education, *except that any local educational agency that did not exist in fiscal year 1991 and that would be eligible under this proviso for payments under section 3 for fiscal year 1992 had it been an operating local educational agency in fiscal year 1991, shall be paid on the basis of the number of children who, during the current fiscal year, are in average daily attendance at the schools of such agency and for whom such agency provides free public education*: *Provided further*, That notwithstanding the provisions of section 3(d)(3)(A), aggregate current expenditure and average daily attendance data for the third preceding fiscal year shall be used to compute local contribution rates: *Provided further*, That notwithstanding the provisions of sections 3(d)(2)(B), 3(d)(3)(B)(ii), and 3(h)(2), eligibility and entitlement determinations for those sections shall be computed on the basis of data from the fiscal year preceding each fiscal year described in those respective sections for fiscal year 1991.

SCHOOL IMPROVEMENT PROGRAMS

For carrying out the activities authorized by chapter 2 of title I and titles II, III, IV, V, without regard to sections 5112(a) and 5112(c)(2)(A), and VI of the Elementary and Secondary Education Act of 1965, as amended; the Stewart B. McKinney Homeless Assistance Act; the Civil Rights Act of 1964; title V of the Higher Education Act, as amended; title IV of Public Law 100-297; *title II of Public Law 102-62*; and the Follow Through Act, [$1,577,618,000] *$1,586,595,000*, of which [$1,238,709,000] *$1,249,117,000* shall become available on July 1, 1992, and remain available through September 30, 1993: *Provided*, That of the amount appropriated, [$27,600,000] *$24,600,000* shall be for national programs under part B of chapter 2 of title I, *$3,800,000 shall be for civic education programs under section 4609, $1,162,000 shall be for programs for Native Hawaiians under section 5134, $30,304,000 shall be for emergency grants under section 5136*, up to $2,000,000 shall be available for the national evaluation of the dropout prevention demonstration program under title VI, and $240,000,000 shall be for State grants for mathematics and science education under part A of title II of the Elementary and Secondary Education Act of 1965, as amended.

EDUCATIONAL EXCELLENCE

(INCLUDING TRANSFER OF FUNDS)

For carrying out educational improvement activities authorized in law, including activities under the Head Start Act, *section 330 of the Public Health Service Act (Community Health Centers), and section 670T of the Comprehensive Child Development Act*, [$500,000,000] *$325,000,000*, which shall become available on July 1, 1992, and remain available through September 30, 1993: *Provided*, That the allocation of these funds, which may be transferred as necessary to other Department of Education accounts, shall be determined by the Secretary of Education in consultation with the Congress based on authorizing legislation enacted into law as of December 31, 1991: *Provided further*, That none of these funds shall be allocated to initiate programs proposed by the President in his budget amendments of June 7, 1991 unless these activities shall be specifically authorized during 1991: *Provided further*, That not less than $250,000,000 of these funds shall be transferred to the Head Start program, *not less than $55,000,000 of these funds shall be transferred to the Community Health Centers program, and not less than $20,000,000 shall be transferred to the Comprehensive Child Development Centers* administered by the Department of Health and Human Services:

BILINGUAL AND IMMIGRANT EDUCATION

For carrying out, to the extent not otherwise provided, title VII and part D of title IV of the Elementary and Secondary Education Act, [$249,000,000] *$201,814,000*, of which $36,000,000 shall be for training activities under part C of title VII.

SPECIAL EDUCATION

For carrying out the Individuals with Disabilities Education Act and title I, chapter 1, part D, subpart 2 of the Elementary and Secondary Education Act of 1965, [$2,822,676,000] *$2,860,756,000*, of which $1,976,095,000 for section 611, [$295,920,000] *$320,000,000* for section 619, $175,000,000 for section 685 and [$135,661,000] *$148,861,000* for title I, chapter 1, part D, subpart 2 shall become available for obligation on July 1, 1992, and shall remain available through September 30, 1993.

REHABILITATION SERVICES AND DISABILITY RESEARCH

For carrying out, to the extent not otherwise provided, the Rehabilitation Act of 1973, Public Law 100-407, and the Helen Keller National Center Act, as amended, [$1,998,501,000] *$2,071,158,000*, of which [$18,368,000] *$25,103,000* shall be for special demonstration programs under sections 311 (a), (b), and (c), including $6,000,000, to remain available until expended, for a continuation of a grant, begun in fiscal year 1986 under this section, to a hearing research center to support basic and applied research activities.

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES

AMERICAN PRINTING HOUSE FOR THE BLIND

For carrying out the Act of March 3, 1879, as amended (20 U.S.C. 101 et seq.), [$5,500,000] *$6,600,000*.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

For the National Technical Institute for the Deaf under titles II and IV of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), [$38,500,000] *$39,439,000, of which $342,000 shall be for the endowment program as authorized under section 408 and shall be available until expended.*

GALLAUDET UNIVERSITY

For the Kendall Demonstration Elementary School, the Model Secondary School for the Deaf, and the partial support of Gallaudet University under titles I and IV of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.), [$73,172,000] *$76,540,000*, of which [$976,000] *$1,000,000* shall be for the endowment program as authorized under section 407 and shall be available until expended, and $2,500,000 shall be for construction and shall be available until expended.

VOCATIONAL AND ADULT EDUCATION

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational and Applied Technology Education Act, the Adult Education Act, and [the Omnibus Trade and Competitiveness Act of 1988, $1,651,500,000] *the Stewart B. McKinney Homeless Assistance Act, $1,323,333,000* of which $3,000,000, to remain available until expended, shall be for the national assessment of vocational education, *$2,500,000 shall become available on October 1, 1991, for tribally controlled postsecondary vocational institutions under title III, part H*, and [of which] the remainder shall become available for obligation on July 1, 1992 and shall remain available through September 30, 1993: *Provided*, That of the amounts made available under the Carl D. Perkins Vocational and Applied Technology Act, $7,500,000 shall, notwithstanding section 3(d)(2) and the funding distribution requirements of section 3(d)(1)(G), be for community edtcation employment centers under title III, part G, subpart 1: *Provided further*, That of the amounts made available under the Carl D. Perkins Vocational and Applied Technology Education Act, $29,000,000 shall be for national programs under title IV, including [$12,000,000] *$10,000,000* for research, of which $6,000,000 shall be for the National Center for Research on Vocational Education [and $2,000,000 shall be for technical assistance under section 404(d); $12,000,000]; *$14,000,000* for demonstrations and $5,000,000 for data collection: *Provided further*, That of the amounts made available under the Adult Education Act, $1,000,000 shall be available only for demonstration programs under section 372(d), $4,000,000 shall be for national programs under section 383, and $5,000,000 shall be for literacy clearinghouse activities under section 384.

STUDENT FINANCIAL ASSISTANCE

For carrying out subparts 1, 2, and 3 of part A and parts C, D, and E of title IV of the Higher Education Act, as amended, [$6,853,000,000] *$6,900,356,000*, which shall remain available through September 30, 1993,

and of which $100,000,000 shall only be available if such funds are necessary to pay a maximum grant of $2,400 during the 1992–1993 program year, which shall be the maximum Pell grant that a student may receive: *Provided*, That notwithstanding section 479A of the Higher Education Act of 1965, as amended, student financial aid administrators shall be authorized, on the basis of adequate documentation, to make necessary adjustments to the cost of attendance and the expected student or parent contribution (or both) and to use supplementary information about the financial status or personal circumstances of eligible applicants only for purposes of selecting recipients and determining the amount of awards under subpart 2 of part A, and parts B, C, and E of title IV of the Act: *Provided further*, That notwithstanding section 411F(1) of the Higher Education Act of 1965, as amended, the term "annual adjusted family income" shall, under special circumstances prescribed by the Secretary, mean the sum received in the first calendar year of the award year from the sources described in that section: *Provided further*, That notwithstanding section 411(b)(6) of the Higher Education Act of 1965, no Pell grant for award year 1992–1993 shall be awarded to any student who is attending an institution of higher education on a less than half-time basis: *Provided further*, That none of the funds appropriated under this Act shall be expended for the purpose of asserting or assessing any liability arising out of the enrollment of a student in a course of instruction at an eligible institution of higher education which course of instruction leads to a recognized associate, bachelors or graduate degree and which is offered in whole or in part through the use of a visual telecommunications device or medium, where such assertion or assessment arises from a determination that solely by virtue of the mode of instructional delivery, such student has been deemed to be enrolled in a course of instruction by correspondence. The term "visual telecommunications device or medium" shall include the use of television transmission by any means including but not limited to open broadcast, closed circuit, cable, microwave (including instructional television fixed service) or satellite, and the use of video cassettes, video discs and other video recording media, regardless of the manner through which such video recording media are distributed to or obtained by the student.

GUARANTEED STUDENT LOANS

(LIQUIDATION OF CONTRACT AUTHORITY)

For payment of obligations incurred under contract authority entered into pursuant to title IV, part B, of the Higher Education Act, as amended, $3,105,711,000.

GUARANTEED STUDENT LOANS PROGRAM

[For the cost, as defined in section 502 of the Congressional Budget Act of 1974, as amended, including the cost of modifying loans, of guaranteed loans entered into pursuant to title IV, part B, of the Higher Education Act, as amended, such sums as may be necessary to carry out the purpose of the program.

[For administrative expenses to carry out the program of guaranteed loans entered into pursuant to title IV, part B, of the Higher Education Act, as amended, $46,433,000, to cover the federal administration of the guaranteed student loans program pursuant to the Federal Credit Reform Act of 1990.]

For the costs of guaranteed loans, including administrative costs other than Federal administrative costs, as authorized by title IV, part B, of the Higher Education Act, as amended, such sums as may be necessary to carry out the purposes of the program: Provided, That such costs, including costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended. In addition, for administrative expenses to carry out the guaranteed loan program, $40,000,000.

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, titles I, III, IV, V, VI, VII, VIII, IX, X, XI–B, and XII of the Higher Education Act of 1965, as amended, the Mutual Educational and Cultural Exchange Act of 1961, the Excellence in Mathematics, Science and Engineering Education Act of 1990, title XIII, part H, subpart 1 of the Education Amendments of 1980, *and section 140(a) of Public Law 100–202*, [$821,438,000] *$810,557,000*, of which $7,500,000 for endowment activities under section 332 of part C of title III of the Higher Education Act, *$2,000,000 for section 140(a) of Public Law 100–202*, and $19,412,000 for interest subsidies under part D of title VII of the Higher Education Act, shall remain available until expended and $300,000 shall be for section 775, part G, title VII: *Provided further*, That [$9,271,000] *$9,642,000* provided herein for carrying out subpart 6 of part A of title IV shall be available notwithstanding sections 419G(b) and 419I(a) of the Higher Education Act of 1965 (20 U.S.C. 1070d–37(b) and 1070d–39(a)): *Provided further*, That $1,450,000 of the amount provided herein for subpart 4 of part A of title IV of the Higher Education Act shall be for an evaluation of Special Programs for the Disadvantaged to examine the effectiveness of current programs and to identify program improvements.

HOWARD UNIVERSITY

For partial support of Howard University (20 U.S.C. 121 et seq.), [$212,960,000] *$199,131,000*, of which [$2,928,000] *$4,500,000*, to remain available until expended, shall be for a matching endowment grant to be administered in accordance with the Howard University Endowment Act (Public Law 98–480), and [$23,600,000] *$2,000,000*, to remain available until expended, shall be for emergency construction needs.

HIGHER EDUCATION FACILITIES LOANS

The Secretary is hereby authorized to make such expenditures, within the limits of funds available under this heading and in accord with law, and to make such contracts and commitments without regard to fiscal year limitation, as provided by section 104 of the Government Corporation Control Act (31 U.S.C. 9104), as may be necessary in carrying out the program for the current fiscal year. For the fiscal year 1992, no new commitments for loans may be made from the fund established pursuant to title VII, section 733 of the Higher Education Act, as amended (20 U.S.C. 1132d–2).

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS *(LIQUIDATING)*

Pursuant to title VII, part F of the Higher Education Act, as amended, for necessary expenses of the college housing and academic facilities loans program, the Secretary shall make expenditures, contracts, and commitments without regard to fiscal year limitation.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

For the costs of direct loans, as authorized by title VII, part F, of the Higher Education Act, as amended, $7,539,000: Provided, That such costs, including costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974 and that these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed $30,000,000: Provided further, That obligated balances of these appropriations will remain available until expended, notwithstanding the provisions of 31 U.S.C. 1552(a), as amended by Public Law 101–510. In addition, for administrative expenses to carry out the direct loan program, $566,000.

COLLEGE HOUSING LOANS

Pursuant to title VII, part F of the Higher Education Act, as amended, for necessary expenses of the college housing loans program, previously carried out under title IV of the Housing Act of 1950, the Secretary shall make expenditures and enter into contracts without regard to fiscal year limitation using loan repayments and other resources available to this account. Any unobligated balances becoming available from fixed fees paid into this account pursuant to 12 U.S.C. 1749d, relating to payment of costs for inspections and site visits, shall be available for the operating expenses of this account.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

For carrying out the activities authorized by section 405 and section 406 of the General Education Provisions Act, as amended; section 1562, *section 1566*, section 2012, *section 2016*, and title IV of the Elementary and Secondary Education Act of 1965, as amended; part B of title III of Public Law 100–297; title V of the Higher Education Act, as amended; *title IX of the Education for Economic Security Act;* and section 6041 of Public Law 100–418, [$228,999,000] *$254,893,000*, of which $25,300,000 shall be for research centers; $35,049,000 shall be for regional laboratories including $10,000,000 for rural initiatives; $7,175,000 shall be for the Educational Resources Information Center; $976,000 shall be for field-initiated studies; [$8,000,000 shall be for a high technology demonstration grant, including equipment; $50,000,000] *$44,313,000* shall be for education statistics; [$28,000,000] *$20,000,000* shall be for national assessment activities; [$19,000,000] *$27,737,000* shall be for activities under the Fund for Innovation in Education[, including not less than $4,500,000 for comprehensive school health programs; $5,284,000]; *$5,495,000* shall be for Grants for Schools and Teachers under subpart 1, and [$3,611,000] *$3,755,000* shall be for Family School Partnerships under subpart 2 of part B of title III of Public Law 100–297; [$14,000,000] *$14,700,000* shall be for national diffusion activities under section 1562; *$885,000 shall be for blue ribbon schools under section 1566;* [$14,000,000] *$18,000,000* shall be for national programs under section 2012, *including $6,000,000 for the National Clearinghouse for Science and Mathematics under section 2012(d); $15,000,000 shall be for regional consortia under section 2016;* $9,732,000 shall be for Javits gifted and talented students education; *$16,417,000 shall be for star schools, of which $4,000,000 shall be to establish a demonstration of a statewide, two-way interactive fiber optic telecommunications network, carrying voice, video, and data transmissions, and housing a point of presence in every county;* $4,233,000 shall be for educational partnerships; $1,769,000 shall be for territorial teacher training; *$987,000 shall be for mid-career teacher training;* and $370,000, which shall remain available until September 30, 1993, shall be for Leadership in Educational Administration.

In addition to these amounts $4,880,000 shall be available for teaching standards activities under the same terms, conditions

and limitations applicable to funding made available for this purpose in fiscal year 1991.

LIBRARIES

For carrying out, to the extent not otherwise provided, titles I, II, III, IV, V, and VI of the Library Services and Construction Act (20 U.S.C. ch. 16), and [titles] *title* II [and VI] of the Higher Education Act, [$142,747,000] *$149,747,000* of which *$2,500,000 shall be for a biotechnology information education demonstration project under the Higher Education Act, title II, part D,* [$14,218,000] *$19,218,000* shall be used to carry out the provisions of title II of the Library Services and Construction Act and shall remain available until expended, and $5,000,000 shall be for section 222 and $325,000 shall be for section 223 of the Higher Education Act.

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

For carrying out, to the extent not otherwise provided, the Department of Education Organization Act, including rental of conference rooms in the District of Columbia and hire of three passenger motor vehicles, [$301,952,000] *$284,008,000, of which $500,000 shall be for the addition of nine FTEs for monitoring of state formula grants under the Individuals with Disabilities Education Act, part B.*

OFFICE FOR CIVIL RIGHTS

For expenses necessary for the Office for Civil Rights, as authorized by section 203 of the Department of Education Organization Act, [$56,000,000] *$51,691,000.*

OFFICE OF THE INSPECTOR GENERAL

For expenses necessary for the Office of the Inspector General, as authorized by section 212 of the Department of Education Organization Act, [$26,932,000] *$26,530,000.*

GENERAL PROVISIONS

SEC. 301. Funds appropriated in this Act to the American Printing House for the Blind, Howard University, the National Technical Institute for the Deaf, and Gallaudet University shall be subject to financial and program audit by the Secretary of Education and the Secretary may withhold all or any portion of these appropriations if he determines that an institution has not cooperated fully in the conduct of such audits.

SEC. 302. No part of the funds contained in this title may be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to force on account of race, creed or color the abolishment of any school so desegregated; or to force the transfer or assignment of any student attending any elementary or secondary school so desegregated to or from a particular school over the protest of his or her parents or parent.

SEC. 303. (a) No part of the funds contained in this title shall be used to force any school or school district which is desegregated as that term is defined in title IV of the Civil Rights Act of 1964, Public Law 88-352, to take any action to force the busing of students; to require the abolishment of any school so desegregated; or to force on account of race, creed or color the transfer of students to or from a particular school so desegregated as a condition precedent to obtaining Federal funds otherwise available to any State, school district or school.

(b) No funds appropriated in this Act may be used for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to overcome racial imbalance in any school or school system, or for the transportation of students or teachers (or for the purchase of equipment for such transportation) in order to carry out a plan of racial desegregation of any school or school system.

SEC. 304. None of the funds contained in this Act shall be used to require, directly or indirectly, the transportation of any student to a school other than the school which is nearest the student's home, except for a student requiring special education, to the school offering such special education, in order to comply with title VI of the Civil Rights Act of 1964. For the purpose of this section an indirect requirement of transportation of students includes the transportation of students to carry out a plan involving the reorganization of the grade structure of schools, the pairing of schools, or the clustering of schools, or any combination of grade restructuring, pairing or clustering. The prohibition described in this section does not include the establishment of magnet schools.

SEC. 305. No funds appropriated under this Act may be used to prevent the implementation of programs of voluntary prayer and meditation in the public schools.

This title may be cited as the "Department of Education Appropriations Act, 1992".

TITLE IV—RELATED AGENCIES

ACTION

OPERATING EXPENSES

For expenses necessary for Action to carry out the provisions of the Domestic Volunteer Service Act of 1973, as amended, [$193,678,000] *$201,691,000*: *Provided*, That [$32,693,000] *$34,683,000* shall be available for title I, section 102, and [$1,000,000] *$1,451,000* shall be available for title I, part C.

CORPORATION FOR PUBLIC BROADCASTING

For payment to the Corporation for Public Broadcasting, as authorized by the Communications Act of 1934, an amount which shall be available within limitations specified by that Act, for the fiscal year 1994, [$253,309,000] *$284,000,000*: *Provided*, That no funds made available to the Corporation for Public Broadcasting by this Act shall be used to pay for receptions, parties, or similar forms of entertainment for Government officials or employees: *Provided further*, That none of the funds contained in this paragraph shall be available or used to aid or support any program or activity from which any person is excluded, or is denied benefits, or is discriminated against, on the basis of race, color, national origin, religion, or sex.

FEDERAL MEDIATION AND CONCILIATION SERVICE

SALARIES AND EXPENSES

For expenses necessary for the Federal Mediation and Conciliation Service to carry out the functions vested in it by the Labor-Management Relations Act, 1947 (29 U.S.C. 171-180, 182-183), including hire of passenger motor [vehicles,] *vehicles; and for expenses necessary for the Labor-Management Cooperation Act of 1978 (29 U.S.C. 175a);* and for expenses necessary for the Service to carry out the functions vested in it by the Civil Service Reform Act, Public Law 95-454 (5 U.S.C. chapter 71), [$28,118,000] *$29,118,000.*

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary for the Federal Mine Safety and Health Review Commission (30 U.S.C. 801 et seq.), $4,357,000.

NATIONAL COMMISSION ON ACQUIRED IMMUNE DEFICIENCY SYNDROME

For expenses necessary for the National Commission on Acquired Immune Deficiency Syndrome as authorized by subtitle D of title II of Public Law 100-607, [$2,000,000] *$3,000,000.*

NATIONAL COMMISSION ON CHILDREN

SALARIES AND EXPENSES

For necessary expenses of the National Commission on Children, as established by section 9136 of the Omnibus Reconciliation Act of 1987, Public Law 100-203, $750,000 to remain available through December 31, 1992.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

SALARIES AND EXPENSES

For necessary expenses for the National Commission on Libraries and Information Science, established by the Act of July 20, 1970 (Public Law 91-845), [$750,000] *$911,000.*

NATIONAL COMMISSION TO PREVENT INFANT MORTALITY

For necessary expenses of the National Commission to Prevent Infant Mortality, established by section 203 of the National Commission to Prevent Infant Mortality Act of 1986, Public Law 99-660, [$390,000] *$440,000,* which shall remain available until expended.

NATIONAL COUNCIL ON DISABILITY

SALARIES AND EXPENSES

For expenses necessary for the National Council on Disability as authorized by title IV of the Rehabilitation Act of 1973, as amended, [$1,497,000] *$1,642,000.*

NATIONAL LABOR RELATIONS BOARD

SALARIES AND EXPENSES

For expenses necessary for the National Labor Relations Board to carry out the functions vested in it by the Labor-Management Relations Act, 1947, as amended (29 U.S.C. 141-167), and other laws, $162,000,000: *Provided*, That no part of this appropriation shall be available to organize or assist in organizing agricultural laborers or used in connection with investigations, hearings, directives, or orders concerning bargaining units composed of agricultural laborers as referred to in section 2(3) of the Act of July 5, 1935 (29 U.S.C. 152), and as amended by the Labor-Management Relations Act, 1947, as amended, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, nonprofit basis and at least 95 per centum of the water stored or supplied thereby is used for farming purposes.

NATIONAL MEDIATION BOARD

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151-188), including emergency boards appointed by the President, $6,775,000.

OCCUPATIONAL SAFETY AND HEALTH REVIEW COMMISSION

SALARIES AND EXPENSES

For the expenses necessary for the Occupational Safety and Health Review Commission (29 U.S.C. 661), $6,497,000.

PHYSICIAN PAYMENT REVIEW COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 1845(a) of the Social Security Act, [$4,300,000,] *$4,495,000,* to be transferred to this appropriation from the Federal Supplementary Medical Insurance Trust Fund.

PROSPECTIVE PAYMENT ASSESSMENT COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out section 1886(e) of the Social Security Act, $4,030,000, to be transferred to this appropriation from the Federal Hospital Insurance and the Federal Supplementary Medical Insurance Trust Funds.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

For payment to the Dual Benefits Payments Account, authorized under section 15(d) of the Railroad Retirement Act of 1974, [$315,000,000] *$319,100,000* which shall include amounts becoming available in fiscal year 1992 pursuant to section 224(c)(1)(B) of Public Law 98-76: *Provided*, That the total amount provided herein shall be [immediately credited to the account: *Provided further*, That the amount provided herein plus the interest earned thereon shall be available for payments through September 30, 1992] *credited in 12 approximately equal amounts on the first day of each month in the fiscal year.*

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

For payment to the accounts established in the Treasury for the payment of benefits under the Railroad Retirement Act for interest earned on unnegotiated checks, $400,000, to remain available through September 30, 1993, which shall be the maximum amount available for payment pursuant to section 417 of Public Law 98-76.

SPECIAL MANAGEMENT IMPROVEMENT FUND

To effect management improvements, including the reduction of backlogs, accuracy of taxation accounting, and debt collection, $3,264,000, to be derived from the railroad retirement accounts and railroad unemployment insurance account: *Provided*, That these funds shall supplement, not supplant, existing resources devoted to such operations and improvements.

LIMITATION ON ADMINISTRATION

For necessary expenses for the Railroad Retirement Board, [$74,037,000] *$73,287,000* to be derived from the railroad retirement accounts: *Provided*, That $200,000 of the foregoing amount shall be available only to the extent necessary to process workloads not anticipated in the budget estimates and after maximum absorption of the costs of such workloads within the remainder of the existing limitation has been achieved: *Providedfurther*, That notwithstanding any other provision of law, no portion of this limitation shall be available for payments of standard level user charges pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(j); 45 U.S.C. 231-231u).

LIMITATION ON RAILROAD UNEMPLOYMENT INSURANCE ADMINISTRATION FUND

For further expenses necessary for the Railroad Retirement Board, for administration of the Railroad Unemployment Insurance Act, not less than $17,263,000 shall be apportioned for fiscal year 1992 from moneys credited to the railroad unemployment insurance administration fund.

LIMITATION ON THE OFFICE OF INSPECTOR GENERAL

For expenses necessary for the Office of Inspector General for audit, investigatory and review activities, as authorized by the Inspector General Act of 1978, as amended, not more than [$6,089,000] *$6,700,000*, to be derived from the railroad retirement accounts and railroad unemployment insurance account.

SOLDIERS' AND AIRMEN'S HOME

OPERATION AND MAINTENANCE

For maintenance and operation of the United States Soldiers' and Airmen's Home, to be paid from the Armed Forces Retirement Home Trust Fund, [$40,581,000] *$42,123,000: Provided*, That this appropriation shall not be available for the payment of hospitalization of members of the Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army upon recommendation of the Board of Commissioners and the Surgeon General of the Army.

CAPITAL OUTLAY

For construction and renovation of the physical plant, to be paid from the Armed Forces Retirement Home Trust Fund, $4,220,000, to remain available until expended.

UNITED STATES INSTITUTE OF PEACE

OPERATING EXPENSES

For necessary expenses of the United States Institute of Peace as authorized in the United States Institute of Peace Act, [$8,393,000] *$11,918,000*.

UNITED STATES NAVAL HOME

OPERATION AND MAINTENANCE

For operation and maintenance of the United States Naval Home, to be paid from funds available to the Naval Home in the Armed Forces Retirement Home Trust Fund, $10,055,000, to remain available until September 30, 1993.

CAPITAL PROGRAM

For construction and renovation of the physical plant to be paid from funds available to the Naval Home in the Armed Forces Retirement Home Trust Fund, $1,253,000, to remain available until expended.

TITLE V—GENERAL PROVISIONS

SEC. 501. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 502. No part of any appropriation contained in this Act shall be expended by an executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), pursuant to any obligation for services by contract, unless such executive agency has awarded and entered into such contract in full compliance with such Act and regulations promulgated thereunder.

SEC. 503. Appropriations contained in this Act, available for salaries and expenses, shall be available for services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior-level positions under 5 U.S.C. 5376.

SEC. 504. Appropriations contained in this Act, available for salaries and expenses, shall be available for uniforms or allowances therefore as authorized by law (5 U.S.C. 5901-5902).

SEC. 505. Appropriations contained in this Act, available for salaries and expenses, shall be available for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities.

SEC. 506. No part of the funds appropriated under this Act shall be used to provide a loan, guarantee of a loan, a grant, the salary of or any remuneration whatever to any individual applying for admission, attending, employed by, teaching at, or doing research at an institution of higher education who has engaged in conduct on or after August 1, 1969, which involves the use of (or the assistance to others in the use of) force or the threat of force or the seizure of property under the control of an institution of higher education, to require or prevent the availability of certain curricula, or to prevent the faculty, administrative officials, or students in such institution from engaging in their duties or pursuing their studies at such institution.

SEC. 507. The Secretaries of Labor, Health and Human Services, and Education are authorized to transfer unexpended balances of prior appropriations to accounts corresponding to current appropriations provided in this Act: *Provided*, That such transferred balances are used for the same purpose, and for the same periods of time, for which they were originally appropriated.

SEC. 508. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 509. (a) No part of any appropriation contained in this Act shall be used, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, for the preparation, distribution, or use of any kit, pamphlet, booklet, publication, radio, television, or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

(b) No part of any appropriation contained in this Act shall be used to pay the salary or expenses of any grant or contract recipient, or agent acting for such recipient, related to any activity designed to influence legislation or appropriations pending before the Congress.

SEC. 510. The Secretaries of Labor and Education are each authorized to make available not to exceed $7,500 from funds available for salaries and expenses under titles I and III, respectively, for official reception and representation expenses; the Director of the Federal Mediation and Conciliation Service is authorized to make available for official reception and representation expenses not to exceed $2,500 from the funds available for "Salaries and expenses, Federal Mediation and Conciliation Service"; and the Chairman of the National Mediation Board is authorized to make available for official reception and representation expenses not to exceed $2,500 from funds available for "Salaries and expenses, National Mediation Board."

SEC. 511. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds, including but not limited to State and local governments, shall clearly state (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources.

SEC. 512. Such sums as may be necessary for fiscal year 1992 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

[SEC. 513. Notwithstanding any other provision of this Act, funds appropriated for sal-

aries and expenses of the Department of Labor are hereby reduced by $30,000,000; salaries and expenses of the Department of Education are hereby reduced by $10,000,000; and salaries and expenses of the Department of Health and Human Services are hereby reduced by $124,000,000, including $8,000,000 of funds appropriated in this Act for travel costs of the Public Health Service: *Provided*, That the reduction for travel costs shall be from the amounts set forth therefor in the budget estimates submitted for the appropriations.]

SEC. 513. Notwithstanding any other provision of this Act, funds appropriated for salaries and expenses are hereby reduced by 1 per centum.

SEC. 514. No funds shall be available under this Act to enforce or otherwise implement the regulations of the Secretary of Health and Human Services published at 42 C.F.R. 59.8 or to promulgate any other regulation having the same substance.

This Act may be cited as the "Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1992".

The PRESIDING OFFICER. The Senator from Iowa.

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

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

APPOINTMENT TO THE SENATE SELECT COMMITTEE ON ETHICS

Mr. HARKIN. Mr. President, on behalf of the majority leader I send a resolution to the desk and ask for its immediate consideration. The resolution has been cleared for adoption by the Republican side of the aisle.

The PRESIDING OFFICER. The clerk will report the resolution.

The assistant legislative clerk read as follows:

A resolution (S. Res. 174) to appoint a Senator to the Senate Select Committee on Ethics, pursuant to the provisions of S. Res. 169 of the 102d Congress.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. Without objection, the resolution is considered and agreed to.

The resolution (S. Res. 174) is as follows:

S. RES. 174

Resolved, That, in accordance with the provisions of Senate Resolution 169, of the 102d Congress, the Senator from Arkansas (Mr. Pryor) be a member of the Senate Select Committee on Ethics for the purpose of matters relating to the preliminary inquiries into the conduct of Senators Cranston, DeConcini, Glenn, McCain, and Riegle, including the investigation into the conduct of Senator Cranston.

Mr. HARKIN. Mr. President, I move to reconsider the vote and move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARKIN. 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. DOLE. 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. DOLE. Mr. President, I ask unanimous consent that I may proceed as if in morning business for 5 minutes.

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

REMEMBERING CONGRESSMAN HARLEY STAGGERS, SR.

Mr. DOLE. Mr. President, it was with great sadness that we learned over the recess of the death of former Congressman Harley Staggers, Sr. This good man from Keyser, WV, dedicated nearly half a century to public service, culminating in a distinguished 32-year career in the House of Representatives. I was fortunate to have served in the House with Harley Staggers for 8 years, and came to know him as a man of tremendous legislative skill, integrity, and dedication to his constituents and to his family. I am sure that many of my Senate colleagues who also served with him in the other body knew him the same way.

Mr. President, I know all my Senate colleagues join me in sending our sincerest condolences to the late Congressman's family, and especially to Congressman HARLEY STAGGERS, JR., who currently serves the constituents of the same district his father represented for so many years.

THE DEATH OF GOV. RICHARD SNELLING

Mr. DOLE. Mr. President, like many Members in this body, I was a friend and admirer of Gov. Richard Snelling of Vermont.

Governor Snelling was a remarkable public servant, and his untimely death this past August was a tragic loss to Vermont and to America.

During his nearly 9 years as Governor of Vermont, Dick Snelling earned a sterling reputation for integrity and intelligence. He was one of America's most vigorous advocates for fiscal responsibility and deficit reduction. He had a no-nonsense businessman's approach which won the trust and respect of the people of Vermont.

After four terms as Governor, Dick Snelling had every right to continue spending time with his wife and children, and to avoid a return to the political arena. But in 1990, he saw that Vermont's fiscal house was in shambles, and he felt it was his duty to do something about it. Vermont's voters recognized again, as they had four times before, that no one was better equipped to deal with the situation than Dick Snelling.

He quickly went to work, making the tough decisions, calling them as he saw them. And despite the fact that he proposed and pushed through the biggest tax increase in the State's history, polls before his death put his popularity ratings at 65 percent.

In the final analysis, however, it is principles, and not polls, that matter. And Dick Snelling's principles and legacy will live on in Vermont for many years to come.

I know the entire Senate joins me in extending our sympathies to Dick's wife Barbara, and their four children.

I thank the distinguished managers of the appropriations bill for letting me proceed.

LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

The Senate continued with the consideration of the bill.

Mr. HARKIN. Mr. President, just for the information of Senators, the situation is this: We have before the Senate the Labor, Health and Human Services, and Education appropriations bill at the present time. As Senators may know, the motion to proceed has been agreed to. However, to accommodate the wishes of Senator HELMS, we will be taking no action on the bill this morning; only opening statements by myself and Senator HATFIELD or others who might want to come over and speak about the bill generally.

I understand that, sometime around 12:30, Senator HELMS will have a list of the committee amendments that he wishes to have excepted. That is the time also at which the respective parties hold their caucuses. So that it would appear there would be no action on the bill until after the caucuses are finished this afternoon. I just wanted to say that for the information of Senators.

Mr. President, at this point, I would like to make my opening statement regarding the bill that is now before us, some of the provisions that are in the bill, and what this committee did during the year to reach the point at which we have arrived.

Right now, Mr. President, the bill before us has gone through a long process which began with the submission of the President's budget on February 4. Since that time, the subcommittee held 19 separate hearings to consider the administration's request and to hear from approximately 150 public witnesses.

As chairman of the subcommittee, I received requests from 98 of the other Senators for almost 1,600 separate requests. We have received advice from the four committees that authorize the subcommittee's programs, and throughout the year we have heard from many citizens and public interest groups. After carefully reviewing these many requests and comments, we made every effort to be fair and responsible with the taxpayers' money.

Mr. President, this year has been a special challenge. Under the Budget Enforcement Act of 1990 and based on our 602(b) allocation, the money this subcommittee has to spend for fiscal year 1992 is a full $1 billion in outlays below current services. The money this subcommittee has to spend for next fiscal year is, indeed, $87 million in outlays below a hard freeze from last year.

The Members all know that over the last decade total Federal domestic discretionary spending has dropped from 23 percent to 12.6 percent of the Federal budget. If domestic discretionary spending had just kept up with inflation over the decade, it would be a full $63 billion higher than it is today.

For this subcommittee, our 602(b) allocation would be a full $6 billion higher next year had the domestic total merely kept up with inflation since 1980.

The programs that serve the poor, that educate our children, provide for job retraining, and attend to the health of our people are caught in a vise that every year gets tighter.

The recommendations now before the Members include increases over fiscal year 1991 and over the President's request for 1992 for each of the major departments. Many of these increases, however, simply went to restore the $3.8 billion of terminations and cuts that were included in the President's budget.

This year the committee made a special effort to provide increased funding for disease prevention and early intervention programs. The thought behind that is that an ounce of prevention is always worth a pound of cure, perhaps even a better tradeoff than that. For many years, at least since I have been on the committee now 7 years and chairing this subcommittee for 2—and I know the distinguished Chairman HATFIELD had the committee before that and chaired it—the expert witnesses come up and talk to us about the needs for more basic research, and time and time again we get behind the curve.

We are penny-wise and pound-foolish. We will spend all kinds of money to take care of people after they are sick, we will spend all kinds of money to take care of diseases after they happen, but we will not put the few dollars in at the beginning to prevent them from happening in the first place.

In fact, the National Institutes of Health has estimated that about 50 percent of the diseases and illnesses that occur in America today are preventable. And further, I think the Institute of Medicine—I will stand corrected on it if I am wrong—who made this effort, but I believe it was the Institute of Medicine that estimated that if we could just prevent 10 percent of the illnesses and diseases in America that over the next decade we can save about $1.3 trillion.

So when we get through this whole health care debate—and I do not mean to get into that here this morning—but when we get through this whole health care debate about paying all of these bills, we are going to hear a lot of this in the months ahead, whether it is single pay, multipay or insurance, whatever it is going to be, let us not lose sight of the fact there is another element in the health care debate that ought to be inserted and this subcommittee is going to insert itself into that debate. And that missing element in the debate is that we are not talking about how we keep people healthy in the first place.

We are always talking about how we pay the bills, how we insure people—and certainly that has to be discussed. But if all we are going to do is continue to pay the bills in our society, the medical bills, without paying attention to prevention and wellness in the first place, then we are just playing catchup ball, and we will never catch up. The money will continue to pour out and the health of our people will continue to deteriorate. So that is why this subcommittee has made a special focus.

I go clear back. This was not just with me, but when Senator HATFIELD chaired the committee and then-Senator Weicker chaired the subcommittee, followed by Senator Lawton Chiles. We all made provisions in there to attend to prevention, to have more research to stop these diseases and illnesses in the first place.

For example, the recommendations before the Senators include the following: For the maternal and child care health block grant the fully authorized level of $686 million is recommended. This is $132.4 million more than requested by the administration. So we are going to try to go to the fully authorized level.

Again, an ounce of prevention, a pound of cure. We spend billions every year for taking care of low-birthweight babies. Go to these neonatal care units and see these poor little babies there who weigh a pound and a half, a pound, and all these tubes sticking in them. We nurse them back to health. There is no one hard-hearted enough in this country to say we should not do it. Of course we do it, and we spend the money gladly to do it.

I have learned, in my talking with medical professionals, that the cost to bring one of these babies back to full health is somewhere between $100,000 and $200,000; $1,000 to $2,000 a day in neonatal care units. Yet, for maternal and child health care, the cost is less than $1,000 for 9 months to go out to a low-income woman at risk with health care, nutritional services, and support services to make sure she has a healthy baby in the first place. And we cut that program. I mean there have been attempts to cut that program. That is why we are trying to restore it here.

It seems to me it makes a lot more sense to spend maybe $1,000 for 9 months to reach out to a low-income woman to make sure she has a healthy baby rather than saying no, we are going to play catchup ball later, we will spend $100,000 or $200,000 to nurse that baby back to health.

For the immunization programs, $277.8 million is included; $60 million more than last year and $20 million more than requested.

Again, immunization; we are not reaching the kids who need to be immunized in this country. One of my earliest recollections of government—in fact I think the first time I ever knew that government existed—I was a kid in a small country school. It must have been about the time I was in kindergarten. This is probably around the end of the Second World War—not the First World War, the Second World War—and I remember we had to come in, maybe the first or second week of school, we had to line up and the visiting county health nurse would come from the county seat and would give us our shots and vaccinations. I probably did not care much for government then, I tell you. But that is what was done. It kept us healthy. And we are losing that. We are not doing a lot of that today. We are not doing even what we did when I was a kid back in the 1940's.

Did it cost money? Sure it did. But I have to believe the illnesses and diseases it prevented at that time saved us a ton of money. So that is why we have put more money back into the immunization program.

For the Head Start Program, the recommendation before the Members is $250 million more than last year, $150 million more than requested by the administration.

I do not need to belabor the point, but again—prevention. Let us get these kids reading early, for example, and then we will not have to pour in so much money for remedial reading, remedial math, and everything else later on. Let us put it in at the beginning.

For lead poisoning prevention, the recommendation is $25 million, $10 million more than requested. Again, one of the leading causes of mental retardation in children today is lead poisoning. We know how to prevent it. We know how to get on with education and measures to prevent it. And this is again what it is designed to do. It will

cost a little bit of money. It will save us a lot more in the long run.

There are a number of other items I know each of us have been hearing a great deal about. I would like to touch on them very briefly. For example, the House, for whatever purpose, cut all funds for family planning. Let me repeat that. The House cut all funds for family planning: zero. So our committee recommendation includes $162 million for family planning. Again, that is $12 million more than the administration's request, $17.7 million more than last year.

So, again, if people wonder why there are some crunches in other areas of this bill, we certainly could not let family planning go by the board with zero dollars. We are still trying to prevent things. We are trying to make sure we have good, adequate family planning out there. So we put the money back in for it.

The House cut cash and medical assistance for the refugee program in half. The committee recommendation restores that cut by making the $116.6 million available late in the fiscal year.

The committee recommendation fully funds the Child Care Program at $825 million, rejecting the House rescission of $145 million of fiscal year 1991 child care money.

For the Low-Income Home Energy Assistance Program, the committee recommendation provides $1.3 billion of funding for fiscal year 1992, $300 million more than provided by the House. The funding, however, is split between $855 million available on the first day of the fiscal year, with the balance of $445 million available late in the fiscal year. Additionally, the committee recommendation provides $300 million for the LIHEAP Program in a contingency fund, which could be released by the President, if he so sees fit, bringing the total to $1.6 billion.

For Community and Migrant Health Centers, the recommendation provides $586,891,000, $56.9 million more than the President.

Finally, for the National Institutes of Health, the committee recommendation provides $8,959,533,000 or $184,647,000 more than the budget request. This includes a $65 million increase for breast, cervical and ovarian cancer research and $7.5 million for the new Office of Research on Women's Health.

This year the subcommittee made a special effort to increase funding for the Ryan White AIDS care. The recommendations include $289.2 million for Ryan White, $68.6 million more than the request and $42.3 million more than the House.

The bill also overturns the administration's gag rule, which prohibits federally funded family planning clinics from giving any information about women's legal rights and medical options.

I believe the gag rule is wrong-headed, plain and simple. It is not good policy to force doctors to withhold information from their patients, information they have a legal right to. To protect women's health, their right to choose, and everyone's first amendment rights, we need to overturn the gag rule, and that is included in this bill.

The bill has been scored by the Congressional Budget Office and the spending recommendations included in it use the full 602(b) allocation for outlays of $57.812 million. I mention this fact to remind the Members that any amendments that Members may have will require appropriate offsets.

Mr. President, I would like to thank Senator DASCHLE for his leadership and direction on the Impact Aid Program. South Dakota has many highly impacted school districts, and Senator DASCHLE has lobbied me hard on their behalf. I can't recall a year when I received more letters or calls concerning impact aid than I did this year. Senator DASCHLE and his staff worked closely with me and my office to help restore the cuts proposed by the administration, and to provide a modest increase over last year. The Senator from South Dakota has been a tireless champion of this program, and I very much appreciate his assistance concerning its funding.

Mr. President, many of the programs for which funding is provided in this bill, such as the Adult Education Act, the Job Training Partnership Act, the Vocational Education Act, and others play a critical role in ensuring that our Nation has the skilled work force it needs to compete in the world economy. Increasing numbers of workers, particularly in older industrial areas, are finding that they need new skills to hold jobs in an increasingly dynamic workplace. Funding has been provided so that the Secretaries of Education and Labor can support efforts to develop a clearinghouse where workers can access all these programs from a single source. This will be an important contribution consistent with the administration's recommendation in America 2000 calling for the creation of skills clinics.

One additional item that needs explanation is the bill language added to impose a 1 percent reduction on appropriations for Federal salaries. This language is intended to narrowly target personnel compensation and benefits and does not extend to related personnel expenses. The Senate bill also imposes a freeze on executive direction activities, which together with the salaries assessment, resulted in a savings of $135 million that was redirected to high-priority programs.

In a moment, I will yield for an opening statement by Senator HATFIELD. I first want to thank him and I also want to thank Senator SPECTER for the excellent advice and assistance both of them have given me and the subcommittee again this year. I know that Senator SPECTER could not be here this morning because he had to tend to his duties on the Judiciary Committee with the opening hearing on the Supreme Court nominee, Clarence Thomas.

The distinguished Senator from Oregon, my good friend, Senator HATFIELD, who is the ranking member of the full Appropriations Committee, and of course the ranking member on this subcommittee, also will be making the opening statement.

I just want to say we have worked cooperatively with Senator SPECTER and with his staff throughout the year. Everything has been above board and open. Our final product has been greatly improved by the assistance of Senator SPECTER and his staff.

Again, I want to publicly thank Senator SPECTER for all of his help, assistance, guidance, advice, and counsel as we worked our way through this bill this year.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. ROBB). The Senator from Oregon.

Mr. HATFIELD. Mr. President, I am pinch-hitting for Senator SPECTER, as Senator HARKIN has indicated, who, as a member of the Judiciary Committee, is participating in the confirmation hearing, of Judge Thomas. I am delighted to be pinch-hitting for Senator SPECTER and to work with Senator HARKIN in the management and comanagement of this bill today, because I know few who have put as much time, effort, energy, and commitment into the many competing and meritorious programs that are incorporated into this bill as Senator HARKIN, the subcommittee chairman.

Mr. President, like so many of our activities, when we leave the programs and the debates on the floor of the Senate, we are backed up by a very competent and a very outstanding staff. I would like to list for the RECORD the names of Mike Hall, who is the chief clerk of the subcommittee staff, ably assisted by Carol Mitchell, Jim Sourwine, Amy Shultz, Margaret Stuart, Gladys Clearwater, and Susan McGovern. And on the minority side, working cooperatively and in great harmony is the minority staff, headed by Craig Higgins and Bettilou Taylor, Robin Rosencrantz, and Janet Lamos.

Mr. President, I feel that we do not frequently enough give tribute and recognition to the extraordinary competence and the dedication of our staff. I know this is true with every committee. It certainly is true with the Appropriations Committee. We really could not function as a committee, nor could we present the product on the floor following the committee's action, without that kind of wonderful support and effort.

Mr. President, the chairman of our committee, Senator HARKIN, has given a very adequate and eloquent statement as to the frustration the subcommittee has experienced this year, as well as to what this bill represents. The frustration is, of course, to see the allocation of so few dollars for such important needs, unmet needs. We could talk about the degree of human suffering, but how do you measure human suffering? Suffering, which results we have not acted soon enough to prevent the disease in the first instance, as the chairman has pointed out?

But if we are not really moved by the humanitarian aspect and the suffering of human beings, then let us look at the simple fact that for every dollar we invest in health, research, education, and prevention programs, it is a multiplier of $13 back into the economy.

Mr. President, there is no dollar that the Appropriations Committees in the Senate and the House of Representatives handle, no taxpayer's dollar, that multiplies more wealth back into the economy than the dollar for health.

We often talk about our deficit in gross numbers. That is a gross deficit in gross numbers. It is very compatible. But let us recognize it is not just the total dollars we spend, but how those dollars function within the economy. We spend a dollar to build a bomb. That bomb is built, put on a rack, and God forbid that it ever has to be used, and that dollar multiplier then is frozen. But put a dollar into health, and that multiplies and multiplies and multiplies, and continues to build wealth in this country.

When we are talking about national deficits, when we are talking about national productivity and competition and the ability to keep a vital economy and to have the growth patterns that we want to see in our economy, we ought to start analyzing not the dollars in gross figures that we spend, but what kind of an impact these dollars that we spend have on building a growing and vital economy.

Senator HARKIN and Senator SPECTER and all the Members of the Appropriations Committee are bringing here today a bill that will have more impact on the economic growth of this country than any appropriations bill that we act upon in terms of the dollar multiplier.

I just want to emphasize that point today. Hopefully, all of our colleagues will support this bill on the basis of our common commitment to the quality of life; trying to reduce and minimize human suffering caused by disease; trying to enhance the quality of life by the quality of education that we can provide for our children and the programs of retraining under the Labor Department, and the programs dedicated to the workers of this country who, after all, are the key to any productivity or any prosperity.

So this is the kind of bill that we are talking about today. Let us not get lost in the accounts of dollars for this and dollars for that, but recognize this bill is going to do more for the Nation's economy in the coming fiscal year in a dollar multiplier measurement than any other appropriations bill we bring to the floor.

As the chairman has indicated, we have some good news and some bad news. At the risk of being a bit redundant, I think we cannot emphasize too strongly that this committee has had to sit down with the overall reduction in nondefense discretionary funding for the last decade and try to squeeze out dollars that are going to sustain programs that we are committed to at a level required to make them effective.

By the same token, I want to take this opportunity to point out in the field of health there is an organization in this country called NORD. It is an acronym for the National Organization for Rare Diseases.

Mr. President, we have almost 2,000 rare diseases that sometimes we refer to as orphan diseases. Many of these diseases have either no registry, not even a registry of knowing how many are suffering from that particular disease, which is the base upon which we launch research, or they have no moneys that are being used for research to find the causes or the possible correction or cures. Almost 2,000.

We hear a lot about cancer, AIDS, heart disease—the big three; over $1 billion a year for each one of those three, and every one of those dollars is desperately needed. But let us take 4 million Americans who are suffering today from Alzheimer's. Mr. President, we do not have, even at this moment, the capability of correct and dependable diagnosis of Alzheimer's. It was just 4 years ago that we began a serious effort to put additional money into research for Alzheimer's. Yet, it is estimated that this year, out of the GNP, $80 billion will be expended for the victims, the care, and the lost wages of victims of Alzheimer's; $80 billion.

Under the leadership of Senator HARKIN, we have been able to elevate the research this coming year to about $270 million for a disease that is costing our GNP $80 billion to take care of its victims.

Whether you approach this whole proposition from, as I say, dollars and cents, cold economies, or whether you approach it from the matter of the degree of suffering and human misery, it just does not make sense that we are putting so few resources, in comparison to the need, into an area that can produce so much economic benefit and, more importantly, reduce the level of human suffering and raise the quality of life.

Mr. President, the good news. We have allocated in this bill a significant increase—I am not going to give all the figures; we get lost in figures because we really are talking about people, human beings, but we increased over the fiscal year 1991 appropriation $100 million for job training. I suppose this is something that many of us could talk about at some length. We have all heard about the spotted owl in the Northwest as it relates to the timber workers and those engaged in forestry, which is such a great part of the economy of my State, or we could talk about the displaced coal workers, or we could talk about the displaced auto workers, or we could talk about all kinds of displaced workers as our economy is going through a very traumatic transition. I would like to speak sometime about going through that transition without a blueprint, without a roadmap. We are just reacting, all the time reacting to the changing economic structure. I am talking about structural changes as well as economics generally.

The recommendation for job training programs is but a pittance relative to the needs of the people out there. I say to people, you talk about retraining the loggers to do this or to do that. Let me tell you, we have very high illiteracy amongst our loggers. You are not going to take a 53-year-old man and make him into a high-tech worker overnight, especially those with illiteracy problems.

We have an awful lot of work to do. I am not sure these dollars are going to get the highest return on the investment because, again, how do you deal with job retraining? If we were to analyze the Government's record, it is not a very good track record. In fact, some of the better examples of job retraining come out of the programs of the private sector. Maybe we ought to start manipulating the tax structure to enable private industry to take on more of this. But nevertheless that is not something which is going to be determined by this bill. It is only representative of the problem that this bill does not address, even with the $123 million increase over the fiscal year 1991 appropriation, for a $4.2 billion total.

Some more good news is in the drug programs. We have here almost a $200 million increase over the fiscal year 1991 level for substance abuse prevention, for research, and education programs under the jurisdiction of this subcommittee. This does not constitute the total resources we have recommended for drug programs, but under this subcommittee it is a $3 billion program. That is very significant, and the increase this committee has made is certainly needed.

In biomedical research, we are now up to about $9 billion. That sounds like a lot of money and it is a lot of money, but, Mr. President, in 18 months we spend more money in research for exotic weapons to improve the ability to

destroy life than we have in 100 years of medical research. Just think of that.

Consequently, when we talk about a $9 billion research figure here for diseases and all the other maladies that beset the human race, we are still not talking in numbers that really are required to meet the need—again, 2,000 orphan diseases, many without any money for research.

Within the increases for the National Institutes of Health of almost $700 million over the fiscal year 1991 appropriation, significant increases are provided for breast, cervical, and ovarian cancer, for the research of Alzheimer's, for research of women's health, and for diabetes.

I am very pleased that, again, Chairman HARKIN has put the priority, and the committee has supported this priority, on the Ryan White AIDS programs. Here we have an increase of almost $70 million for the delivery of treatment and services to persons with AIDS, including an increase of some $34 million for emergency aid in 18 cities.

Now, this, again, is a small part of the total dollars we are appropriating for AIDS programs—research, counseling, prevention and program support—but every one of those dollars represents only a fraction of what we really need to expend in that area.

I have been long involved, as has our chairman, in the concerns of the homeless. The good news in this bill is that we have addressed that again with an increase of some $20 million over fiscal year 1991. So often we forget that the fastest growing component of our homeless population out there on the streets is parents with children, families. And health needs, of course, escalating when those families and others as singles have no shelter and are exposed to the elements.

The Healthy Start Program of some $75 million, we have increased that over fiscal year 1991 by $50 million to support the President's infant mortality initiative.

Mr. President, we always love to boast about America's greatness, and I take pride in America's greatness, but I do not usually measure it the same as maybe some others. But we talk about being a superpower and, generally speaking, I say to my colleague—and he has been on this problem, too—that too many times is measured on the megatons of our arsenals rather than the health and educational standards of our people.

Mr. President, it is very interesting that in the Soviet Union, as we knew it, as it is coming unglued in so many different ways today, with all of those forces at play, the superiority of their arsenal did not save them. It did not save the system, did it? It did not save the system, the economic, the political, the military, or even the secret police system. So I think we ought to look beyond the arsenals to measure the strength and the superiority of the achievements of a nation or a culture or of a people. Here we are talking about a $75 million budget geared and targeted to infant mortality. Mr. President, in the world today the United States of America ranks 20th in infant mortality—20th. How in the world could we call ourselves a superpower if we were to measure the health and infant mortality factor within our people at 20? So here we are talking about, again, just a pittance for what we really have as a need, to raise the level of our infant survivability.

We have also some good news on child health. We have increased that almost $100 million—and this is the maternal-child health block grant program—over 1991. Let me point out, too, that with some of these increases they hardly stay even with inflation. I am not here boasting that by our committee's increasing these numbers we could really go far beyond the maintenance of the current level of services.

The aging programs, we have expanded them again with another almost $55-million increase over 1991; handicapped education, an increase of $244 million; vocational education, $77 million; student aid, a $180-million increase over 1991.

But now let us talk just for a few moments about the bad news. The chairman has pointed these out in the presentation of his opening remarks, but let me reiterate, if I might, for just a moment: Low-Income Home Energy Assistance Program. I do not think we need to restrict this problem to the Northeast, although it is generally identified in the Northeast, weatherwise and for other reasons. But here there has been a cut of about $300 million from the $1.6 billion provided in 1991. If we want to look at comparisons, they certainly do not do much except to accentuate the need. We have done better than the House of Representatives by $300 million. And yet we are going to have to address this problem.

Mr. President, I would say probably we are going to have to look at a good possibility of a supplemental, depending a great deal on the weather. We are surely not going to let people freeze in their homes. This is not going to cover the need of the low-income home energy assistance or take the adolescent family life program, again, a program that was cut by $7.7 million.

We stand here today, certainly, not in any other than an apologetic stance to say that there is a measurement of the needs, and here are the resources that were allocated to this 1 subcommittee out of 13 subcommittees, and we have done everything we can with the resources that we have to work with.

We are all under that constraint in relation to the deficit, to the budget agreement. I do not have to go through the mechanics. But I hope that people understand that as far as Senator HARKIN and I are concerned, and other members of this committee and Members of the Senate at large, it is with a great deal of regret that we stand here with such inadequate resources addressing some of the serious monumental problems.

I know that the new Secretary of Education is not going to be very happy with a cut of some $590 million below the President's request for the new initiative the administration is launching for America 2000. I think very justifiable requests were made. I think they can make a big difference in the future of our education.

While the great part of this initiative is the fact that they are going to try to break out of the traditions—I think sometimes our traditions are a most important part of the glue of our society—at times traditions can also be inhibiting and an obstacle for progress. I think the idea that Secretary Alexander has in trying to set up a demonstration school in every congressional district in this country and say, in effect, to the educators and the people in the local community: Go at it, and here is support money to set up and test these new ideas, and innovate and create new approaches for education.

Coming out of the field of education, I have often found that some of the most reactionary thinking was by educators relating to education, and who are most bound to tradition. Yet, they can solve everybody else's problems and every other institution's problems. But talk about changing their own institutional problems and it is different. Oftentimes, this is true with many other groups. I certainly found it true in my own experience in education. It just cannot change, as some of us thought.

At the first faculty meeting at a university where I taught, there was a professor of history that was going to have a cardiac arrest because it had been suggested that he teach Napoleon and the French Revolution in a different room than he had taught in for 17 years. It was almost as if he could not do it in a different room, in the same building.

But so much for tradition in education. I think that is one of the key dynamics of the President's program—America 2000.

Mr. President, these are but a few on the list of good news and bad news. I have not attempted to put all of the accounts before us at this time.

Once again, I indicate my great admiration and personal affection for our chairman and for Senator SPECTER of Pennsylvania, the ranking Republican, for taking a tough assignment, putting together a very defensible bill within the restrictions and parameters with which this subcommittee was forced to

work, and at the same time to be able to come to this floor and say: Here is a bill worthy of the support of our colleagues, recognizing that the finality of this bill will be determined by a conference with the House of Representatives. And that will be no easy task, because we have our separate priorities. I would like to have the resources to match the priorities of the House, as well as the priorities of the Senate, but we will have further constrictions, I am sure, on some of the accounts represented today.

Mr. President, I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Mr. President, as a member of the Subcommittee on Appropriations that has worked on this bill, I want to take this opportunity to express publicly my appreciation for the outstanding job that was done by the chairman of this subcommittee and his staff.

This subcommittee will not get the attention that it certainly deserves. Senator HARKIN has had a difficult job. The jurisdiction of the subcommittee is broad, and it covers many different areas. I am not going to be able to take the time to talk about all of the areas that I think need to be mentioned in this great bill, but I want to take some time talking about some things that are most important to me.

In this year of tight budget constraints, we have programs pitted against each other. I have had people argue for education programs at the expense of health programs, and vice versa. The subcommittee has had to struggle to find the dollars for programs on which many American lives depend. The funding levels, in many instances, are not what we would like, but this committee, with the leadership of Senator HARKIN, has balanced the interests of all of the Senate. I think his job as chairman of this subcommittee is one of the most difficult jobs there is in the Senate.

Mr. President, I am going to talk about a few things, as I have indicated, that I think are important, in this bill. I think there have been some tremendous strides made in this appropriations bill that will mean things to individual Americans—not programs, but actual people.

Mr. President, I do not know how many Senators have had the opportunity to take a tour through the National Institutes of Health. If they have not, they need to. I have been in Washington now as a Member of Congress for about 9 years. I think one of the most educational, enlightening experiences that I have had was a day that I spent at the NIH. This is where biomedical research of the highest caliber takes place. Its results impact not only Americans, but people throughout the world.

We hear many stories about the United States falling behind in the ability to manufacture cars. We hear that maybe we are not the leaders in the educational field as we should be. We have crime running rampant. Our deficit is too high. But let me explain that with the National Institutes of Health, there is one place where the United States is far ahead of every other nation in the world, and that is in the area of medical research. There is not a close second. That funding for this source of great pride takes place in this subcommittee, Labor, HHS, Education.

This bill that is now before the Senate will continue the recognition and the resources that the National Institutes of Health should have. Again, I acknowledge there that there is more than we should do, but with our limited resources, we hope to keep the National Institutes of Health in their predominant position in biomedical research.

I have taken a particular interest in recent years, in diseases that affect primarily women. Mr. President, I became involved with this as a result of a meeting I had in my office 2 years ago in Las Vegas with three women. They came to see me because they were desperate. These three women all had a disease called interstitial cystitis. This is a long-sounding name and it does not mean much to most people. But to 500,000 women in the United States it does mean something. It means that they have a dread disease that affects their bladder. It is a disease that effects mostly women. Its cause is unknown. Its cure is unknown.

This appropriations bill, for the second year in a row, takes into consideration the fact that these women who have this disease need attention focused on its cure, and, I am happy to say, there are moneys set aside in this bill for specific research on interstitial cystitis. As a result of these women coming to my office, I checked around and found that, in fact, there are other diseases just like this one. Diseases that affect only women that we, frankly, ignored for many years. Is it because we are a male-dominated legislature? Possibly.

We know that when there was a study done to determine the effectiveness of aspirin on heart disease, that with thousands of subjects, thousands and thousands of them, not a single one was a woman. All the subjects were men. This is a sample of how we approach diseases that affect women. Well, this legislation that is now before the Senate acknowledges that we have not done in the past all that we should do in recognizing diseases that affect women.

This legislation will change this trend. It contains specific language that will address diseases that affect primarily women, such as Lupus. Most people do not recognize that multiple sclerosis is a disease of which the vast majority of people who contract it are women. Besides Lupus, this bill increases research dollars for osteoporosis and breast, ovarian, and cervical cancer.

So this legislation through the Office of Research on Women's Health will focus attention on diseases affecting primarily women. I think that is extremely important. It is important that we do a better job for women than we have in the past.

Mr. President, this legislation also takes a big step forward as it relates to another women's problem. That is the tragedy of domestic violence. About every 15 seconds in our country a woman is beaten by her husband or companion.

We have changed the words now. We want to have words that do not sound so negative, that do not sound so harsh. We no longer say these women were beaten. We say they were battered, assaulted. The fact of the matter is that every 15 seconds, in this country, 24 hours a day, 7 days a week, throughout the year, with no vacation or holidays, a woman is beaten. It is truly sad to think that there are more women beaten than are raped, are murdered, robbed, or burglarized.

In fact, Mr. President, it is so serious that 1 out of every 5 people—20 percent—of the women who go to an emergency room for medical care go because they have been beaten.

Who are they beaten by? Their hubands and companions.

This legislation will combat that problem. I think Senator HARKIN should receive all the bouquets and applauses available just for this one provision of his bill. There are many other things that the chairman deserves credit for, but certainly for this item alone he deserves all the recognition and support that he can get.

Why? Because this legislation puts forth $22 million for domestic crisis shelters. Why is that important? Well, if you take a place like Las Vegas as an example, the greater Las Vegas area has about 850,000 people. In that area, Clark County, we have beds for battered women that number 28 or 29. That is all the beds we have for battered women.

Remember most battered women in their state of crisis come to a facility with children in tow. Let us say the average woman who comes to a shelter has three children. You can see those beds will be gone in a hurry. If there could be a waiting list, and there isn't because there are no places that a women can wait, it would be too long to mention. Las Vegas is no different than Denver, Des Moines, Richmond. They are all the same. Women turn into prisoners and have no place to go.

This legislation, while not solving all problems, at least acknowledges that these women who are struggling in

these shelters, these battered women, will receive some support and help. I have visited the shelter in the Clark County, Las Vegas area. I visited the facility in the Washoe County, Reno area. They are in desperate need of more shelter beds.

Mr. President, the American public should recognize, realize, understand, and acknowledge that this money being spent for these domestic crisis shelters is money well spent, and that we are going to save the taxpayers' money by allowing women to come to these shelters and turn their lives into productive ones. We are going to save money because their kids will be educated with the proper home setting. There will be less money spent in our criminal justice system, in our educational system, and our welfare system because we are willing to spend these few dollars spread out over the country to help women escape from the prisons they find themselves in because of their husbands and companions.

The Family Violence Prevention and Service Program has never received funding over $10.7 million a year. This year it is going to receive double that. I think that is commendable.

We have about 1,300 shelters in the country with only 40,000 beds, it is estimated, there are about 4 million battered women. More women are battered every year than are hurt in auto accidents, muggings, and rapes combined.

As I mentioned and I repeat, everyone should acknowledge and recognize how serious this problem is, Mr. President. Of all the women who go to an emergency room for hospital care, 20 percent go because they have been beaten by their husband or companion.

People ask why don't these women just leave? Well, they cannot. They frequently have no place to go.

This movement to help women who are in abusive relationships started in the seventies, when there was some help being offered to these women by setting up informal safe houses. That is really what they are even today. They are safe houses. We call them shelters. It is a way for a woman and her children to escape, to be safe. These safe houses, as they are in the Las Vegas and Reno area, are places in neighborhoods where they are not advertised, so the batterer cannot go and again abuse the woman. These shelters allow women to regain their self-esteem, search for jobs, find new housing, and to live without fear of violence against themselves or their children.

I have talked to and interviewed and visited with battered women on a number of occasions. I cannot express words to describe how thankful and grateful they are for these safe havens. These shelters save lives. Of course, the services offered in them help women find jobs, find new homes, but they also save lives because, Mr. President, these batterers many times go too far. They kill their spouses or loved ones. The more shelters there are in regions, statistics show, the fewer partner-perpetrated homicides there are because women have a place to go.

So again, I express my appreciation to Chairman HARKIN, and his staff, for seeing the importance of these shelters and agreeing to increase funding by almost $10 million.

As I indicated, this will double the appropriation over fiscal year 1991 and now no longer will three out of four women have to be turned away from shelters. The numbers may be reduced to one in two. We hope it can go that far.

In these times of budget constraints, the subcommittee has recognized that women should not have to live their lives in fear of their companions—and I appreciate that very much.

I also express my appreciation to those women and men who have advocated for the battered women's community. There is a network across the country that was able to notify the members of the subcommittee and Senate how important it is that these domestic crisis shelters be funded.

Many of these people who have worked to get the message to us have been women who are survivors, survivors of abuse.

I also want to talk about something in this bill that is extremely important, and that is the funding level as it relates to libraries.

Mr. President, on July 10, just a couple months ago, President Bush addressed the White House Conference on Library and Information Services. During that address, the President quoted a former President, one who was instrumental in establishing the Library of Congress, Thomas Jefferson. He quoted, "A democratic society depends upon an informed educated citizenry." No one can disagree with this.

Who can disagree with this important premise? No one. Education, learning, literacy, and libraries are the essential cornerstones for an effective and living democracy. The library and democracy are interchangeable. One implies the other.

One of the first things happening in Eastern Europe with the breakup of that Iron Curtain is the fact that people are now having the right to go to libraries. Of course, the books are not there that should be there, but that is one of the first things that they are working on. Why? Because democracy and language are interchangeable.

In his remarks the President also went on to boast that "today, our more than 15,000 public libraries serve nearly 70 percent of our population, and they use less than one percent of our tax dollars."

The President and I have agreed on a lot of things during the time that I have been in Congress. But here we disagree. There is nothing to boast about when our libraries serve fewer than 70 percent of our citizenry and the Federal Government brags about the fact that less than 1 percent of our tax dollars is spent on this subject.

Only $35 million was requested by the administration for libraries in the fiscal year 1992 budget. Meanwhile, there are as many as 27 million functionally illiterate people in the United States, 70,000 in Las Vegas alone. This is the way it is all over. I was this morning, as I was dressing, watching one of the network news programs. They were promoting something that was going to come up in the next segment and they were talking about a woman who ran a successful business who could not read, and it bored her so much that she went public with this, and has now completed, as the program indicated, a walk across the country, promoting the fact that people should be able to read promoting literacy.

My wife spent considerable time, Mr. President, in Nevada promoting literacy and as a result of the work that she and others did—she was the chairperson of a statewide group that was trying to develop literacy programs—the State legislature adopted a program to work on literacy. Literacy is a problem all over the country not just in Nevada. It is a problem in Iowa, Oregon; it is a problem in Virginia. In every State in the Union people are functionally illiterate even though they may have graduated from high school.

I went to a hearing and testified at a hearing that Senator SIMON conducted where a professional football player came in, an all-pro professional football player came in and with tears in his eyes explained that he could not read and that he was now able to read as a result of an adult literacy program.

So how we are ever going to help people who are functionally illiterate read without adequate library services? I assume we could do it but it makes it much more difficult.

In the early part of this century and last century, many people came to America, the land of opportunity. They depended on our libraries to learn our language and our culture and become productive citizens of this country.

Amy Tan is a Chinese-American novelist. Again I mention my wife. She has read two of her books and just finished one of them. Amy Tan is a Chinese-American novelist of great repute. She wrote an essay when she was 8 years old called "What the Library Means to Me." The essay was published in the Santa Rosa Press-Democrat, and I want to quote part of it here. Amy Tan was then only 8 years old, and no one probably recognized she would be a great author and publisher of best-sellers. She said at 8 years old:

> I love to read. My father takes me to the library every two weeks, and I check out five

or six books each time. These books seem to open many windows in my little room. I can see many wonderful things outside. I always look forward to go to the library.

Once my father did not take me to the library for a whole month. He said the library was closed because the building is too old. I missed it like a good friend. I wish we can have a real nice and pretty library like my school. I put 18 cents in the box and signed my name to join Citizens of Santa Rosa Library.

Today, millions of Americans are denied the opportunity given to Amy Tan. Millions of our fellow citizens cannot go to the library, or read, or write, or even understand the phone book. They will never know the beauty of philosophical ideas, or the humor of Mark Twain, or the social histories contained in the pages of "Gone With the Wind" and the "Grapes of Wrath."

The administration requested only $35 million for libraries.

I was born and raised in a small rural community in the southern tip of the State of Nevada, and fortunately my father was a great reader. He had never graduated from the eighth grade but he read a lot and I like to read because he liked to read, I guess, and I never traveled as a young boy but I traveled with my mind. Reading those books, some of which were probably not great literature, but I envisioned being an athlete by reading the books, and when I went to participate in athletics later on I am sure part of my desire to make the team and do those things was a result of the things I read about what others had done. I was able to travel in my mind as a result of what I was able to read.

As I mentioned, though, Mr. President, the administration requested only $35 million for libraries. This committee, though, has approved over $149 million, $83 million alone for library services, $49 million more than the administration request. The committee has provided more than $19 million for public library construction. The administration requested no funding for public library construction. The committee has provided almost $20 million for interlibrary cooperation. The administration requested no funding for interlibrary cooperation.

Mr. President, what we need to do as a body and as a government is recognize that there is more to this Government than how the report looks this year, how the budget looks this year.

We have to look down the road as to what we are providing for the American public. Again, we are going to save taxpayer dollars by investing in libraries, investing in books.

It is just as important to have libraries as boys and girls clubs. It is just as important to have libraries as it is to have parks and roads.

The committee has provided $5 million for library career training programs. The administration requested no money for this activity. The committee has provided $325,000 for library research and demonstrations. No funds were requested by the administration for this program.

The committee has provided almost $6 million for research libraries. The administration requested no funds for research libraries. The committee has provided $6.4 million for college library technology and cooperation grants. The administration requested no funding for college library technology. The committee has provided almost a million dollars for foreign language materials for public libraries. The administration requested no funds for this program.

Senator SIMON, the junior Senator from Illinois, has written a book called "The Tongue-Tied American," and in that book Senator SIMON talks about why we as a people need to do a better job with foreign languages, why it is important for us as a people to be able to understand and have people that can speak foreign languages.

During this break, Mr. President, I had the opportunity to spend some time with one of my sons. We vacationed together. I can remember we were in a hotel on one of those days. I was trying to explain to one of the housekeepers that I needed to get back into the room. I did not have my key and I wanted to get back in the room and I could not. She had no idea what I was saying. She did not speak English. My 23-year-old son came up. He spent 2 years in Ecuador and speaks fluent Spanish. I said, "Leif, would you tell her what I want," and they began to communicate. Her whole body language changed; her eyes brightened; she had a smile on her face because we could communicate. That is what this is all about.

We, as a government, are spending the paltry sum of $976,000 for foreign language materials for public libraries. But that is $976,000 more than would have been spent had not this committee taken action. We really need to do a better job, Mr. President, of articulating the need that young people speak, understand, and become aware of the need to develop expertise in foreign languages.

Finally, I want to say that the administration requested no funding for library literacy programs—no funding for library literacy programs when literacy legislation was signed into law just a short time ago, within the past 5 weeks.

So, again, I praise this subcommittee and the chairman and the ranking member for having in this bill that is now before the Senate $8.2 million for this activity. That is only 30 cents per illiterate American, and if you consider inflation it is probably less than Amy Tan put in the box when she was 8 years old for the Santa Rosa Library back in the 1950's.

But it is something. It is a beginning. It is an acknowledgement that illiteracy is a problem in this country. It is a recognition of the problem. It is an attempt to do something.

Right before our break, Mr. President, I went over to the American Folklife Center at the Library of Congress and spent some time with Gerald Parsons, the reference librarian there. I went over specifically to learn more about someone's music that I think a lot of, and that is Woody Guthrie, a great American folk singer. He not only sang folk songs, but he wrote them; hundreds of them.

He wrote those songs during the Depression, most of them before he became ill and was unable to do much writing anymore. But he wrote great things: "This Land Is Your Land; This Land Is My Land." He wrote about the Depression. He wrote about the migration of American people because of the Dust Bowl. He wrote as poets write. He could say in a song what some people would take volumes to say.

What a lot of people do not understand is he wrote a lot of those songs when he was on welfare. He was on welfare, but it was the right kind of welfare. He was being paid. He was a member of the WPA, the Works Program Administration, where he was being paid to be an artist.

Many of the great American artists started as welfare recipients. They were paid to draw pictures, make posters, to develop symphony orchestras, bands. Woody Guthrie was paid to write songs, and write songs he did. So Woody Guthrie is somebody I wanted to learn more about, and I did learn a lot about him.

We have a great collection over here of Woody Guthrie memorabilia, many of his letters. I did not have time to go through all of them, but I spent several hours. I want to read to you a portion of one of those letters dated September 19, 1940:

> The Library of Congress is good. It has helped me a lot by recording what I had to say and to copy all of my songs and file them away so the senators caint find them. Course they're always there in case they ever get a few snorts under their vest and want to sing. I think real folk stuff scares most of the boys around Washington. A folk song is what's wrong and how to fix it, or it could be who's hungry and where their mouth is, or who's out of work and where the job is, or who's broke and where the money is, or who's carrying a gun and where the peace is. That's folk lore and folks made it up because they seen that the politicians couldn't find nothing to fix or nobody to feed or give a job of work. I can sing all day and all night, sixty days and sixty nights, but of course I aint got enough wind to be in office.

Woody Guthrie found America, and through the library, we can find Woody Guthrie and experience his life and observations. Those couple of hours I spent over there in the Library of Congress, Mr. President, were great hours. I mean I enjoyed that. I cannot describe how enjoyable it was reading the letters that he wrote to his family and

he wrote to the man in the library that was cataloging it, arranging his work.

We learn the truths about how average American folks think. That is what libraries are all about. That is what my experience was about in going to the Library of Congress and learning more about Woody Guthrie.

I have talked on this floor about the importance of our own Library, the Library of Congress. But it is only an example of what we need to do throughout the country with libraries and how we as a national government must be the leaders in library development around this country.

So, I guess, as Woody Guthrie would say, we need a lot less wind here in Washington. What we need is to find where the minds are and how to enlighten them; where the functionally illiterate folks of this Nation are and how to teach them to read. Our democracy depends on it.

So again I would like to commend the Labor-HHS Subcommittee for approving these desperately needed funds, and the full Appropriations Committee for its approval. There is much more to be done, but at least it is a beginning.

There are many other great points in this bill. As I indicated, my tour of the National Institutes of Health was important to me personally. I think I am a better Senator for having had the opportunity to go through there and meet with people and discuss with them some of the great things they are trying to do.

Mr. President, I was in Reno attending a UNR-UNLV football game this past Saturday. I met a man who told me he really was from Boulder City but had lived in Reno for many years—that his adult son is paraplegic, as a result of a diving accident.

Had this young man been able to receive treatment that the National Institutes of Health has now developed for spine traumas caused by diving and car accidents, and motorcycle accidents, he probably would not be in a wheelchair today. They have developed at the National Institutes of Health a procedure whereby, if administered to someone shortly after the accident has taken place and they are given extremely high doses of steroids, they can stop the paralysis from taking place, because the human body is such that after the injury takes place, the spinal cord severs itself.

The work that has been done at the National Institutes of Health will allow many people who otherwise would be paralyzed to not be paralyzed, and that is because of the money we have given the NIH to do research. They are not doing all that needs to be done. But they are doing a significant amount with the resources given them by Congress.

Again, Mr. President, I commend, I applaud the subcommittee chairman, Senator HARKIN, for steering this bill to the place that it is, with the significant improvements that it has in it. Thank you, Senator HARKIN.

I yield the floor.

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

The PRESIDING OFFICER (Mr. KERRY). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

RECESS UNTIL 2:15 P.M.

Mr. HARKIN. Mr. President, I ask unanimous consent that the Senate now stand in recess until the hour of 2:15 p.m.

There being no objection, the Senate, at 12:20 p.m., recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. ADAMS].

LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The pending business is H.R. 2707, the first committee amendment.

Who seeks recognition?

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak as if in morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Montana is recognized.

Mr. BAUCUS. I thank the Chair.

(The remarks of Mr. BAUCUS pertaining to the introduction of S. 1696 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

CANADIAN TERMINATION OF THE SOFTWOOD LUMBER MOU

Mr. BAUCUS. Mr. President, on September 3, the Canadian Government announced its intention to terminate the 1986 United States-Canada softwood lumber memorandum of understanding.

In my view, this is an outrageous and highly provocative step.

In 1986, the Canadian Government gave its word that it would stop subsidizing the export of lumber to the United States. Now, it has decided to break its word.

Mr. President, a deal is a deal. And if the Canadian Government is no longer willing to stop subsidized lumber exports to the United States, the United States must take immediate, unilateral steps under section 301 of the United States trade law.

HISTORY OF THE MOU

In order to understand why the United States must act to stop the flow of subsidized Canadian lumber it is necessary to review the history of the softwood lumber MOU.

In the early 1980's, the United States was hit by a flood of lumber imports from Canada. The imports surged because Canadian provinces subsidized lumber exports, not because the Canadian industry was more competitive.

The subsidies came in the form of artificially low government stumpage fees—the fees paid for the right to cut timber from government land.

Canadian provincial stumpage fees were a fraction of the actual value of the timber stands. According to an ITC study done at the time, Canadian stumpage fees were consistently about one-tenth of the stumpage fees in the United States on similar stands of timber.

These low fees gave Canadian lumber companies a tremendous competitive advantage over their United States counterparts.

The resulting flood of subsidized Canadian lumber claimed more than a third of the United States market. More than 600 U.S. mills were closed and 30,000 timber workers lost their jobs.

In 1986, the United States lumber industry filed a successful countervailing duty case to impose a duty to offset Canadian subsidies on imported Canadian lumber. As a result of the industry case, the Commerce Department ruled that a 15-percent duty should be imposed on Canadian lumber entering the United States.

In order to avoid imposition of the duty, the Canadian Government agreed to collect the 15-percent duty as an export tax unless and until the provinces ceased their subsidies. The United States and Canada agreed to jointly monitor enforcement of the export tax.

These commitments formed the basis of the softwood lumber MOU which went into effect on December 30, 1986.

The industry and a number of Senators and Congessmen—including myself—were initially skeptical of the administration's plan to set aside the countervailing duty case in favor of the MOU. But we were eventually persuaded by commitments from the administration to impose the duty under U.S. trade laws if the export tax was not collected.

I ask unanimous consent that a series of Reagan and Bush administration statements on this topic be printed in the RECORD.

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

THE U.S. GOVERNMENT HAS REPEATEDLY COMMITTED TO ENFORCE FULLY THE LUMBER AGREEMENT

The following chronology summarizes selected statements by U.S. Government officials supporting the enforcement of the U.S.-Canadian Softwood Lumber Memorandum of Understanding (MOU). The Administration has repeatedly committed that if Canada fails for any reason to collect all charges contemplated by the MOU—even if Canada terminates the MOU—the United States will collect any shortfall at the border, if necessary through the use of Section 301.

April 22, 1986: Letter from President Reagan to Senator Symms Crucial in Obtaining Congressional Approval for FTA Negotiations:

"I am strongly committed to finding a rapid and effective solution to the lumber and other pending trade problems between the United States and Canada. I am optimistic that progress on lumber can be made before a comprehensive agreement [FTA] would be presented to Congress for its approval. My commitment to ensuring that American industries and business have fair opportunities to compete has not diminished."

April 25, 1986: Press Report:

"U.S. Trade Representative Clayton Yeutter told reporters that lumber is a 'frontburner' issue for the administration and 'it plans to stick to a pledge to some U.S. senators that it will take unilateral action to help correct the problem if current negotiations with Canada fail to resolve the dispute soon.'"

May 8, 1986: Letter from President Reagan to Senator Packwood:

"Once again, I want you to know that I am committed to finding a rapid and effective solution to the Canadian softwood lumber problem which restores for the American lumber industry a fair opportunity to compete. If this cannot be achieved through bilateral negotiations with Canada, then I will take such action as may be necessary to resolve this problem consistent with U.S. law."

December 30, 1986: Determination by President Reagan Under Section 301 of the Trade Act of 1974:

"Fulfillment of the objectives and commitments in the Understanding is of critical importance. Therefore, I intend to take or to authorize all appropriate action in response to any future failure by the Government of Canada to meet the objectives and commitments of the Understanding."

December 30, 1986: Memorandum from President Reagan to the Secretary of Commerce Under Section 301 of the Trade Act of 1974:

"Fulfillment of the objectives and commitments of the Memorandum of Understanding is of critical importance. If the Secretary of Commerce determines that such export charges are not being fully imposed, I will take action (including the imposition of an increase in the tariff on softwood lumber imported from Canada) to offset any shortfall in the full imposition of the export charge or of the replacement measures therefor."

December 30, 1986: Letter from Secretary Baldrige and U.S. Trade Representative Yeutter to Stanley Dennison, Chairman of the Coalition for Fair Lumber Imports:

"Should the Canadian Government breach its obligations under the Memorandum of Understanding or terminate this agreement, the U.S. Government will take all appropriate actions (such as acting under section 301 of the Trade Act of 1974 to impose import duties equal to the charges which the agreement contemplated would have been collected by the Government of Canada and/or the provincial government) in response to the failure by the Government of Canada to meet the objectives and commitments of the Understanding."

May 19, 1988: Letter from Acting Secretary of Commerce to Mr. Dennison:

"Our goal is to ensure the integrity of the agreement."

July 26, 1988: Letter from Under Secretary Moore and Deputy U.S. Trade Representative Holmer to Mr. Dennison:

"We want to assure you that the United States Government's position continues as expressed by our predecessors in their letter of December 30, 1986."

August 5, 1988: Letter from U.S. Trade Representative Yeutter to Congressman Wyden in Response to Letter on Behalf of the Congressional Forestry 2000 Task Force, an Organization of 131 Members of Congress:

"The agreement has contributed significantly to the strong recovery of the U.S. lumber industry, and has helped stabilize North American lumber trade. We are committed to the intent and substance [of the] agreement and to the full enforcement of U.S. rights."

October 5, 1988: Letter from Under Secretary Moore and Deputy U.S. Trade Representative Holmer to Canadian Deputy Minister Shannon:

"For any action that upsets the balance originally achieved by the MOU, the United States is fully within its rights to take corrective measures."

January, 1989: Response from U.S. Trade Representative-designate Caria Hills during Confirmation Hearing:

"Senator Symms: Do we have your strong commitment to enforce the [lumber] memorandum of understanding promptly and thoroughly?

"Ms. Hills: Absolutely, Senator Symms.

"Senator Pryor: And you will work to keep that agreement [the Softwood Lumber Agreement] in full force and effect?

"Ms. Hills: Yes, indeed."

November 1, 1990: Letter from Secretary Mosbacher to Congressman Wyden in Response to Letter from Co-chairmen of the Congressional Forestry 2000 Task Force:

"We are firmly committed to the MOU and will take any action necessary and appropriate to enforce the terms of the agreement."

January 18, 1991: Letter from Secretary Mosbacher to Congressman Wyden:

"We are firmly committed to the MOU and will take any action necessary and appropriate to enforce the terms of the agreement."

February 22, 1991: Testimony of Deputy Assistant Secretary Chorlins to the House Subcommittee on Regulation, Business Opportunities and Energy:

"I am pleased that you [the Subcommittee] are interested in this agreement [MOU], one which we strongly support.

"Absent a permanent market-oriented system, the U.S. Government remains firmly committed to the MOU and stands ready to take any action necessary and appropriate to enforce the terms of the agreement.

"We have not seen any evidence of such structural changes in Canada that might eliminate the need for the MOU. Therefore, we cannot contemplate the termination of the MOU.

"Senator Wyden: What I understand you to have told me is that, number one, the Bush administration in no way wishes to change from the Reagan administration's position that they will use any tool necessary, including countervailing duties, including [Section] 301 [of the Trade Act of 1974], to enforce the agreement [MOU].

"Ms. Chorlins: I would simply reiterate, any tool which would be necessary and appropriate according to our statutory and international obligations."

March 19, 1991: Press Report:

"U.S. Ambassador to Canada Edward Ney reportedly said, 'I think you have to realize that the U.S. has a signed agreement of memorandum and there would have to be a compelling reason as to why it should be changed. The American people feel—the lumber industry—that it has worked out.'"

March 23, 1991: Press Report:

"President Bush told Canadian Prime Minister Brian Mulroney that he opposes any changes in the MOU, a U.S. trade official said."

April 10, 1991: Letter from Deputy Assistant Secretary Chorlins to Congressman Wyden:

"However, I can assure you that, in the event of any violation or abrogation, the Administration would not preclude the possibility of responding under any of the several options available under U.S. law, including section 301.

"As always, the Administration stands ready to take the steps necessary to offset the effects of unfair trade on the U.S. lumber industry. If U.S. lumber producers believe that they are being injured by dumped or subsidized imports from any source, the Department of Commerce is prepared to work with them to determine whether additional antidumping and/or countervailing duty investigations would be appropriate."

April 22, 1991: Letter from U.S. Trade Representative Hills to Congressman Packwood in Response to Letter from 32 U.S. Senators:

"The U.S. Government remains firmly committed to the MOU and, as we have said, will take any action necessary and appropriate to enforce the terms of the agreement. The nature of our response would, of course, reflect any action Canada took or proposal it made. In the event of a violation or abrogation of the MOU, we have not ruled out any options available under U.S. law, including section 301 if that were necessary."

THE WHITE HOUSE,
Washington, DC, December 30, 1986.

Memorandum for the Secretary of Commerce.

Subject: Determination Under Section 301 of the Trade Act of 1974.

Under Section 301(a)(1)(A) of the Trade Act of 1974, as amended (19 U.S.C. 2411(a)(1)(A)), I have determined that action is feasible and appropriate to enforce rights of the United States of America under the Memorandum of Understanding on trade in softwood lumber products, which was signed today by the Government of Canada and the Government of the United States of America. Fulfillment of the objectives and commitments in the Memorandum of Understanding is of critical importance. Therefore, I direct the Secretary of Commerce to determine periodically whether the Government of Canada and the Canadian provincial governments are fully imposing the export charge and any replacement measures therefor, as specifically agreed to in advance by the U.S. pursuant to the Understanding on softwood lumber products. If the Secretary of Commerce determines that such export charges are not being fully imposed, I will take action (including the imposition of an increase in the tariff on softwood lumber imported from Canada) to

offset any shortfall in the full imposition of the export charge or of the replacement measures therefor.

This agreement with the Government of Canada will enhance the ability of our softwood lumber industry to compete by negating the impact of Canadian provincial practices which the U.S. Department of Commerce preliminarily determined to confer subsidies.

This agreement successfully addresses the problems that led the U.S. softwood lumber industry to file a petition under the countervailing duty law with the Department of Commerce. As a result, the U.S. industry is withdrawing its petition and the Department of Commerce will terminate its investigation.

Under the Memorandum of Understanding, the Government of Canada will impose a 15 percent tax on exports of softwood lumber to the United States. This tax may be phased out proportionately as the Canadian provinces increase the charges imposed on softwood lumber production.

This memorandum shall be published in the Federal Register.

RONALD REAGAN.

THE CONTINUING NEED FOR THE MOU

Mr. BAUCUS. In a press release on this topic, the Canadian Government argued that the MOU was no longer needed. This statement is simply untrue.

There are two compelling reasons why the United States lumber industry still needs protection from unfair Canadian subsidies.

First, stumpage subsidies continue at very high levels in Canada.

Three of the four major lumber provinces—Alberta, Ontario, and Quebec—still extend stumpage subsidies and are still subject to the export tax.

Even in British Columbia, the province that has done the most to end subsidies, stumpage subsidies remain.

According to a survey done by the U.S. Coalition for Fair Lumber Imports, British Columbian timber is still subsidized 35 to 50 percent. A recent study by the B.C. Forest Resources Commission concluded that government stumpage fees were only about 25 percent of privately auctioned stumpage fees.

In fact, if the U.S. industry were willing to go through the expense and risk of filing a new countervailing duty case, it could win duties significantly higher than the 15-percent duty set in 1986.

Second, the progress that has been made toward decreasing provincial subsidies would rapidly disappear if not for the MOU.

The MOU forced some reform in the provinces. Were it not for the MOU, the provinces would likely slip back to their old ways. There are already widespread rumors that British Columbia plans to cut its stumpage fees once the MOU is terminated.

In short, with the MOU gone, a flood of subsidized timber is likely to flow in from Canada. U.S. mills will once again close and American workers will once again lose their jobs.

ACTION

The United States cannot stand by and let this happen.

We have worked for years to tailor U.S. trade law to respond to such eventualities. The United States must take immediate action under section 301 to reimpose the duties imposed on Canadian lumber in 1986.

Senator PACKWOOD and myself are now circulating a letter to urge the President to take such action.

Further, if this issue is raised in any international forums, the United States should resist any effort to discuss the United States duty until the Canadian subsidies are eliminated.

Finally, we should consider the Canadian record of keeping its trade commitments before we conclude any further agreements with Canada.

CONCLUSION

Admittedly, this is a prescription for strong action. But let's not let the issue get clouded by Canadian rhetoric.

Two points are indisputable:

First, Canada does extend unfair subsidies to its timber industry. These subsidies are unfair trade barriers as surely as quotas or prohibitive tariffs. And until Canadian protectionism ceases, the United States has no choice but to shield the United States lumber industry from its negative effects.

Second, Canada has gone back on its word to the United States by terminating the MOU.

Clearly, strong action is necessary to defend the U.S. lumber industry and protect the credibility of U.S. trade policy.

Mr. President, I yield the floor.

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. BAUCUS. 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. BAUCUS. Mr. President, I ask unanimous consent to proceed as if in morning business.

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

THE RETURN OF SENATOR PRYOR

Mr. BAUCUS. Mr. President, I see on the floor one of the most respected and most beloved Members of this body. It is my very good friend, the very dear friend of all of us in the Senate, the Senator from Arkansas [Mr. PRYOR].

All of us many months ago were shocked, were stunned, at the illness that beset Senator PRYOR. He had a heart attack. Many of us the next day immediately went over to George Washington Hospital to see Senator PRYOR. In fact, Senator PRYOR is so beloved that so many of us went over to see him that finally the doctor had to close the door and say no more of us could come over and see him.

This is the first day the Senate has been in session since the return of the Senator from Arkansas, and I deem it a great honor to be one of the first to speak on the floor after the August recess and to speak in honoring him and welcoming him back. I can think of no person that I respect more, and I can say that I think on behalf of everyone else in this body about the Senator from Arkansas. We are honored and happy, we are overjoyed, with his very healthy and triumphant return to the U.S. Senate.

The PRESIDING OFFICER. The Chair will join in those sentiments. I am sure he expresses the sentiments of the entire Senate. It is a pleasure to be in the chair when the Senator from Arkansas returns to the floor.

We are grateful to have you back with us. Very, very deep welcome from all of us to you, Senator PRYOR.

Mr. HATFIELD. Mr. President, I may associate myself with the remarks of the Senator from Montana and say to my treasured friend from Arkansas, it is such a much greater pleasure to be able to stand here and associate myself with accolades, compliments, and analyses of your sterling character when you are here to hear it, and we are all grateful.

The Lord has preserved you for obviously unfinished business, not only on behalf of the family that you represent but also your State and your Nation. We are just very, very honored to welcome you back to the body of the Senate.

PRIVILEGE OF THE FLOOR—H.R. 2707

Mr. HATFIELD. Mr. President, I ask unanimous consent to have permission granted for floor privileges to a fellow on my staff under the auspices of the U.S. Information Office, Milan Lovisek, one of the first of the fellows from Eastern Europe, a lawyer and professor of political science, from Czechoslovakia. I ask unanimous consent to have him present on the floor during the consideration of our appropriations bill.

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

The Senator from Arkansas [Mr. PRYOR].

Mr. PRYOR. Mr. President, I ask unanimous consent to proceed as if in morning business.

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

THE RETURN OF SENATOR PRYOR

Mr. PRYOR. Mr. President, I will only keep the floor a short time but first I would like to say to the distinguished Senator from Montana and to

the distinguished Senator from Oregon how very much the Senator from Arkansas appreciates the very fine comments they have just made on the floor of the U.S. Senate.

I might just say that the last 4 months, Mr. President, have been very educational for me. I was one of those people who believed that these sorts of things happen to everyone else except me. But, Mr. President, it happened to me, and I can tell you that I hope I have learned from this experience.

As a small boy growing up in Camden, AR, I used to read constantly about the U.S. Senate. I was always fascinated with the Senate. I was always fascinated and impressed by Senators. I still am, Mr. President, I might say.

But I always remember the old adage, or old saying, or old definition of the Senate, which is that the Senate is the most exclusive club in the world. I do not know if it is the most exclusive club in the world, but I can tell you I think truly it is perhaps the most special family in the world. It is a very special family of men and women from 50 separate States and regions, from diverse political parties, and every kind and sort of political persuasion you could imagine. But during any time when one of us is in trouble, or especially undergoing a life-threatening situation, this family somehow comes together during that moment like they came together for me, and I will always be grateful. The Senator from Montana, for example, Mr. President, said that he could not get in the hospital to see me. But I can tell you what he did. He and his wife baked probably the finest chicken I have ever eaten and brought it to my home, and it was wonderful. It was as nice an act of kindness, friendship, generosity, and caring as I have ever experienced, and as I received from many, many of my colleagues from throughout this body.

The Senator from Oregon called almost every week. He called our administrative assistant, Don Harrell, and made inquiries about this Senator, wanting to know how this Senator from Arkansas was, what they could do, and said that the Senator from Arkansas was in the prayers of the Hatfields and other Members of the Senate that he met with on a regular basis.

Mr. President, I am grateful for that friendship and I am grateful for that caring. I know that a lot of people say pretty bad things not only about this place as an institution but also about individual Members of this fine institution. But I can truthfully say that it is a very special family to me and it has never meant more to me, Mr. President, than it has meant during the last 4½ months during this period of recuperation. I have felt those prayers, I have felt that caring, and I have felt the depth of that friendship in my daily pursuits.

Mr. President, I thank my colleagues.

COMMUNISM COLLAPSES, NATIONS ARE BORN ANEW, BUT NOTHING CHANGES THE PHARMACEUTICAL INDUSTRY'S SKYROCKETING PRICING PRACTICES

Mr. PRYOR. Mr. President, during these past several months, we have seen the breakup of the Soviet Union and the dismantling of its Communist Party. The failed coup has laid the needs of what we hope will be a successful and new democratic Union of Sovereign States. We have witnessed the long-awaited freedom rightfully returned to the Baltic States, and the recognition of these states as independent nations by the United States of America.

We have welcomed home our troops from Saudi Arabia, Kuwait, Iraq, and surrounding areas. With the ending of the war, the release of two hostages and the altering of previously unalterable positions by Israel, Syria, and others, our hopes for peace in the Mideast have been raised as they never have been before. The list of these and other mind-boggling changes on the political and economic front of the world stage seem endless, and hard for us to imagine at this time.

The developments on the world stage attest to the old saying that the one constant in life is that it changes. It is clear, however, that there are extraordinarily unfortunate exceptions to this rule.

What has not changed has been our continued stagnation on the domestic front, right here at home, Mr. President. We have yet to meet the intimidating challenges of improving our educational system so that our young people can compete. We have failed to stem the tide of crime and of drugs. We have failed to clean up a troubled banking system. On top of all this, our health care system has failed to alter its course, and remains a system that is only available to only a portion of our population.

If ever we needed a change of direction, or a reevaluation or a change in policy, it is in our Nation's health care system. This year, we will be spending over $670 billion and almost 12 percent of our gross national product on health care. Despite this investment, 20 percent of the population of my home State of Arkansas has absolutely no insurance, no possibility of having insurance, and many more today in my home State are afraid that they and their employers will no longer be able to afford the high cost of becoming ill. The cost of the insurance that they have and the health care services and the products that they need are going to very soon be beyond their grasp. It is plain as plain can be that the individuals and the businesses simply cannot afford health care price inflation that continually doubles the general inflation rate.

Mr. President, in recent months, I have had occasions to require health care services. I am very proud to report, and very grateful to be able to report it, that I have had the best. I am one of the fortunate few. The treatment I received from highly trained doctors in excellent hospitals and health care facilities enables me today to stand on the floor once again of the U.S. Senate. I now can fully appreciate, however, that health care is expensive and frequently unaffordable. This unacceptable situation must be changed.

Unfortunately, the pricing policies of the pharmaceutical industry also have not changed. Despite years of hearings, floor statements, speeches, and incremental legislation, the drug manufacturing industry of America today has chosen to continue to turn a deaf ear on pleas from Americans and their representatives to stop hiking prices to unconscionable and unthinkable levels.

During the first 6 months, Mr. President, of 1991, the general inflation rate was running at the rate of 3.3 percent annually. Prescription drug prices have risen 3½ times this—11.2 percent. Once again, in the first 6 months of 1991, the general inflation rate was 3.3 percent. The drug price inflation rate, 11.2 percent. This is mind boggling. It is staggering. It is an increase that comes on top of prescription drug price inflation that tripled the rate of general inflation during the decade of the 1980's.

In addition, there is new evidence that the U.S. drug manufacturing industry continues to realize record profits at an all time high. In addition, they spend more of our hard-earned money than ever before on marketing, advertising, and promotion of their new products.

Just last Saturday, an article in the Washington Post described how one drug company is today trying to get doctors to prescribe their drugs by giving them a free dinner at an expensive hotel in Baltimore as well as $100 gift certificate for medical books.

We saw in Time magazine just a few weeks ago an article about one particular drug company which is giving doctors frequent flier miles on an airline if they prescribe for their patients drugs which that company manufactures. Who is actually footing the bill for these unnecessary and costly promotion activities, Mr. President? The American public and the American health care system—you and I and all of us in this country, especially those individuals today who cannot afford any longer to pay the bloated, inflated prices for the drugs that they need to survive and to live.

I am not the only person who has taken notice of how profitable the pharmaceutical manufacturing business continues to be. One analyst, Mr.

President, writing in the July 29, 1991, copy of Fortune magazine said that the drug industry continuously awards its shareholders "with returns on equity 50 percent higher than the median for Fortune 500 industry companies." He stated that they are able to do this through "hefty prices increases on drugs that have been around for years."

A different analyst, writing in another recent issue of Fortune magazine, said that "the recession hasn't kept drug sales from sailing to mood-altering heights." The analyst said that the drug industry revenues would increase over 15 percent this year and 14 percent next year, resulting in profits increasing by another record-breaking level of 18 percent.

As a matter of fact, the July 29 cover of Fortune magazine had a lead story about "America's most profitable business."

What is America's most profitable business, Mr. President? It is, of course, the pharmaceutical manufacturers of America.

Recent data show that the elderly continue to be the most vulnerable to prescription drug inflation. An August 1991 Congressional Budget Office study found that "60 percent of Medicare enrollees face potentially catastrophic out-of-pocket health care expenses either because they have no coverage to supplement Medicare or because their supplementary coverage does not include prescription drugs."

Because of 11 years of unrelenting inflation, a drug that cost $20 in 1980, now costs that average American $53.76, an increase of over 268 percent. If current inflation trends continue, the same $20 drug will cost $77.06 in 1995, a 365-percent increase and $120.88 in the year 2000, a 604-percent increase.

Today, I am taking this opportunity to send a message to the drug manufacturing industry that my interest in doing something about this problem has not changed. By recommitting itself to continued price increases and greed, the industry has assured my commitment will be stronger than ever. We cannot and will not abandon American consumers who are being continually subjected to unjustified price increases by the drug manufacturing industry.

Mr. President, it will take more than wishful thinking on the part of this Congress for the drug manufacturing companies to change their pricing practices. Soon, the American public will justifiably hold us accountable for not taking responsible, decisive action to bring prescription drug prices under control.

Mr. President, despite the dire warnings from the industry that they need their enormous profits to invest in research and development, there are responsible proposals that this Congress can enact to bring down the high costs of medications, while providing meaningful incentives to invest in research. These are the policy objectives that I intend to vigorously pursue and I invite my colleagues to join me in this urgent endeavor.

In conclusion, let me say that the old adage applies here, "the more things change, the more they stay the same." Communism in the Soviet Union collapses, nations in the Baltics are born anew, but unless we have the courage to do so, apparently nothing will change the pharmaceutical industry's skyrocketing pricing practices.

Mr. President, I ask unanimous consent that the articles I referenced in my statement, as well as a March 18, 1991, Time magazine article, be printed in the RECORD immediately following my statement.

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

[From Fortune Magazine, July 15, 1991]

THE ECONOMY/18-MONTH FORECAST: THE WINNERS AND LOSERS

(By Alison Sprout and Jessica Skelly von Brachel)

The recession cast its pall selectively, and the recovery will begin just as unevenly. Is the consumer leading it? Clothing and housing will rebound, but cars will languish. Capital goods? Aircraft are flying high, but heavy-equipment makers are dragging. Drugs do well in good times and bad; Wall Street is on a roll; chemical and paper producers will still be hung over in 1992. But with few exceptions. U.S. industries will enter 1993 in fine shape. Here's the outlook for 19 of them.

AUTOS: SPUTTERING BACK TO LIFE

The American auto machine is in gear—just barely. Car and truck sales turned around in the first quarter, but from such a low base that Fortune estimates they will still be off 10% from 1990, at 12.5 million units. Combined 1991 operating losses for GM, Ford, and Chrysler will be $3.1 billion, says Ronald A. Glantz, an analyst at Dean Witter. Sales will pick up next year to a decent 14.7 million rate as the recovery restores consumers' financial strength. And the industry's: Glantz looks for a combined profit of $3.3 billion in 1992.

Shoppers are visiting showrooms but leaving without wheels. Banks and auto finance companies are chary of lending to people whose liabilities as a percent of disposable income have reached an all-time high. Sales to rental and corporate fleets have taken up some of the slack, but as retail buyers trickle back into the market, Asian cars should gain ground—the fleets buy almost exclusively American, but consumers do not. Asian market share for cars will rise from 29.3% to 32.3% by 1992, projects J.D. Power & Associates, a market research firm. The Japanese will make less headway in truck sales, increasing market share just over two percentage points by 1992. As the travel and homebuilding businesses recover, full-size vans and pickups will move sooner than any other vehicles. Too bad they make up only 11% of the auto and light-truck market.

CLOTHING: MORE FLAIR

For customers and manufacturers alike, fashion will become fun again as people start to worry less about where their money is coming from and more about how to spend it. After dressing up old work duds with accessories in 1990, women are beginning to add to their wardrobes again. Says Walter Loeb, publisher of the Loeb Retail Letter: "The adventure is back." Retail spending on women's apparel has already edged up. Jay Meltzer, an analyst at Goldman Sachs, expects sales to increase 3% for the year and 4% in 1992. With store inventories generally lean, increased sales will quickly translate into higher manufacturing revenues. Meltzer sees profits rising 10% this year and 15% in 1992. To satisfy the demand for affordable clothes that go from workday to weekend with ease, more pricey designers are offering secondary lines that retail for 40% to 50% less than their signature lines. Two appearing soon are A Line by Anne Klein and Apriori by Escada. An unnamed new entry from Carolyne Roehm will appear in the fall.

DRUGS: EXTRA STRENGTH

The recession hasn't kept drug sales from sailing to mood-altering heights. Pharmaceutical revenues will rise 15% this year and 14% next, says Richard Vietor, an analyst at Merrill Lynch. Profits will climb at an even more euphoric rate of 18% each year because of cost-control efforts and a preponderance of high-margin prescription drugs in the product mix.

Blockbuster products account for most of this industry's growth, and by 1992 Vietor expects at least 30 new drugs to be approved by the Food and Drug Administration. A few have huge market potential. Ticlid, from Syntex, would be the only drug approved for the prevention of second strokes; doctors recommend aspirin now. Pfizer's Norvasc would treat at least two kinds of heart disease. And several million men over the age of 50 with signs of prostate problems could find relief from Merck's Proscar. Drugs could be less dreamy after 1992. Major patents are expiring, and the FDA will be approving more generics. Analysts also worry that a recently passed law guaranteeing Medicaid patients drugs at the lowest price charged any customer could herald more aggressive efforts to control industry profits. Says Paine Webber analyst Ronald Nordmann: "There is a lot of saber rattling in Washington."

HOUSING: BACK FROM THE BASEMENT

Homebuilding has bottomed out, but what a bottom it was. Even with modest increases in every quarter, starts will still be down 15% for the year as a whole to just over one million—the lowest in three decades and 44% below the recent 1986 peak. Demand is not the problem. The National Association of Realtors expects mortgage rates to remain in the single-digit range for the rest of this year, luring first-time buyers and allowing others to trade up to higher-priced homes. Prices have started to rise—the median existing house cost $100,200 in April, up 4.9% from a year earlier. Personal income should climb in line with future house-price increases, though, keeping affordability around its current level.

But developers cannot get financing. The National Association of Homebuilders estimates that 48% of the nation's builders will be cash-starved because bankers are nervous about lending to them. Expect starts of 1.26 million next year as banks loosen up. Meanwhile, the urge to buy will express itself partly in sales of existing homes, which Barbara Allen of Kidder Peabody thinks will be up 4.8% this year to 3.455 million and 5.6% in 1992.

WAGES, PRICES, AND PROFITS: CATCHING UP

Business will be handing out bigger raises this year and next. As a result, hourly com-

pensation will climb 0.5 percentage point faster than consumer prices—the first time it has out-stripped inflation since 1986. But unit labor costs won't increase faster, because productivity will improve enough to offset the pay increases. After a dismal couple of years, output per hour will grow 1% during 1991 and 1.2% during the following four quarters. Even so, overall GNP price inflation will head toward a 5% annual rate by the second half of 1992. Many companies will take advantage of the rebound in demand to raise prices. With unit labor costs under control profit margins—which have been depressed far longer than the recession—will stage a modest rebound.

CONSUMER SPENDING: EASY DOES IT

Income has picked up, and after back-to-back quarterly declines in spending, consumers are heading to the malls again. But because they are loaded with debt and worried about job security, they will spend prudently. Fortune predicts outlays will grow at less than a 3% annual rate through the end of 1992, vs. 5% during the 1983-84 recovery. Pent-up demand will be most evident in cars. During the past year people delayed trading in the many aging vehicles they bought in the mid-1980s. Now it's replacement time.

CAPITAL SPENDING: STRENGTH IN EQUIPMENT

The coming profit pickup, though moderate, will go far toward spurring equipment purchases, especially among companies modernizing to meet foreign competition. Computers, manufacturing machinery, and heavy trucks will be in demand. Aircraft deliveries will also lift the investment total. All told, after slumping in the first half, equipment outlays will grow at a 7% annual rate through the end of 1992. Business spending on structures, however, will decline slightly. Energy producers will be adding capacity and pollution controls, but the surplus of offices, stores, and hotel rooms will continue to depress construction.

FOREIGN TRADE: BETTER ALL THE TIME

The U.S. trade deficit is becoming a nonissue. Fortune estimates that the gap between exports and imports of merchandise fell to an annual rate of $75 billion this spring, a third below the $115 billion of last summer. The improvement will continue through the end of next year, though at a far less dramatic pace averaging $1 billion per quarter. Imports, which fell during the worst of the recession, will increase again. So will payments for imported oil, which had dropped after spurting in the months before the war. The dollar has come back from its lows of late 1990 and may rise a bit more before the end of the year, but U.S. manufacturers will continue to prove their competitive mettle in global markets. Though the gains may look modest compared with the double-digit increases of the late 1980s, the volume of merchandise exports will still grow at a 4% annual rate over the next year and a half. Foreigners increasingly want American consumer products, among them motorcycles, audiotapes, and CDs.

The current account, which includes services, investment income flows, and government transfers, turned to surplus temporarily in the first quarter because of the inflow of funds from Gulf war allies. The basic deficit hasn't disappeared, but it will shrink. Payments to contractors for rebuilding war-damaged Kuwaiti infrastructure and oil fields will contribute to a growing surplus on services. But the large outflow of interest payments on U.S. Treasury securities owned by foreigners will continue unabated.

GOVERNMENTS: DOUBLE TROUBLE

That $40 billion of allied war contributions will offset some of the federal receipts lost to the recession. The fiscal 1991 deficit will increase anyway, from $220 billion last year to an estimated $250 billion, partly because of the rising cost of the S&L bailout. The Congressional Budget Office estimates spending to resolve thrift problems at $80 billion this year, vs. $65 billion in fiscal 1990, and about $110 billion in fiscal 1992—pushing the total deficit in that year to over $300 billion.

Out beyond the Beltway, governors, county executives, and mayors are trying to sell higher taxes and less service to their constituents. As a group, they will probably overdo the austerity. Since the expanding economy will pull in more revenues, deficits would start to improve without large changes in taxes or spending. The negative is that shrinking state and local deficits will restrain the recovery.

[From Time magazine, Mar. 18, 1991]

MEDICINE: CHEAPER CAN BE BETTER

(By Andrew Purvis)

The new heart drug hit the market in 1987 in a blinding flash of pitchmen, promotion and public relations hoo-ha. The product of biotech breakthroughs, TPA was touted as clearly superior to the competition, a clot-busting drug called streptokinase, on the market for 15 years. Though TPA (for tissue plasminogen activator) is 10 times as expensive as the older drug, the majority of U.S. doctors bought the pitch, and the new drug became the favored method of breaking up clots in heart-attack victims. Then last week an international team of researchers reported what some doctors had suspected all along: the fancy new medication appears to be no better at saving lives than plain old streptokinase. In fact, it seems to carry a slightly greater risk of causing strokes.

The saga of TPA is a glaring example of what some experts believe is a pervasive problem in American health care: how high-pressure marketing tactics by drug companies combine with the lure of a glamorous high-tech product to persuade doctors to adopt the latest medication, even when it offers no clear advantage. "Doctors are enamored of new technologies," says Dr. Stephen Schondelmeyer, director of the Pharmaceutical Economics Research Institute at Purdue University. "We have this attraction to 'new is better,' even though that is not always true."

Usually, the added cost of a new drug is justified by an obvious benefit. Second- and third-generation antibiotics, for instance, can work when older, cheaper antibiotics like penicillin fail. In other cases, a costly new drug may break new ground, as ADT did in treating AIDS.

But with TPA, the price difference was extreme—about $2,500 a treatment vs. $220 for a dose of streptokinase—while the advantages were murky. Several studies showed that the new drug worked more quickly to open up blocked arteries, but whether that really made a difference in patient survival was unclear.

Then why were U.S. doctors so quick to adopt the medication? For one thing, cost is still not a primary concern for many U.S. doctors. In Canada and Europe, where cost constraints and rationing of health care are a matter of course, TPA did not enjoy great success; streptokinase plus ordinary, cheap aspirin remain the standard anticlotting therapy. In addition, pervasive fears of malpractice suits in the U.S. add to the pressures on doctors to use the latest technique.

But the biggest reason TPA took off was the aggressive promotional campaign launched by its manufacturer, Genentech. The worldwide market for anticlotting agents, or thrombolytics, is estimated at $600 million a year. To get a substantial piece of the action, Genentech relentlessly promoted its product not just to doctors and patients but to researchers as well. "I have never seen anything like it," said Dr. Charles Hennekens, U.S. coordinator for the study released last week.

Genentech, Hennekens says, refused to participate in the international study, which compared TPA with streptokinase and a third thrombolytic called anistreplase, so a British-made version of TPA was used instead. Moreover, Hennekens says, when he tried to recruit doctors to participate, he found that some had been told by Genentech salesmen that using the other drugs in the trial could endanger their patients. Streptokinase, they were told, could cause cerebral bleeding, and anistreplase, which is derived from human plasma, was alleged to carry a risk of AIDS infection. Neither danger is significant, said Hennekens. Genentech denied any direct meddling in the trial and disputes the study's findings on methodological grounds.

Though TPA is a dramatic example, many heavily promoted new drugs offer only subtle advantages over cheaper alternatives. Dr. Sidney Wolfe, an outspoken consumer advocate in Washington, says that 70% to 90% of newly approved drugs are not important therapeutic advances. One example: substances called lower osmolarity contrast mediums, introduced in 1986. Used in taking diagnostic pictures of internal organs, they are believed to be only marginally safer than existing agents but are sold at up to 12 times the price.

Overzealous marketing practices in the drug industry have attracted attention in Washington. At a Senate hearing in December, critics cited a litany of abuses that seemed to cross the line between advertising and bribery. Roche, for example, paid doctors $1,200 to prescribe a new antibiotic to 20 hospital patients in exchange for minimal information on the results of the therapy. Another company offered free mileage on American Airlines for using Inderal LA, a hypertension drug. Last week the recently appointed FDA commissioner. Dr. David Kessler, told the committee that regulating drug promotion would be a top priority in the coming year.

In an era when healthcare costs in general are growing out of control, it is becoming increasingly difficult for the government, insurance companies and doctors to ignore the cost factor in medicine. And as patients bear more and more of the costs, they should realize that the latest, slickest new treatment is not always just what the doctor should order.

RX FOR INFLUENCING DOCTORS

Frequent prescriber plan: Wyeth-Ayerst Laboratories give doctors 1,000 points on American Airlines' frequent-flyer program for each patient they put on the hypertension drug Inderal LA.

Profitable research: As part of a "study," Roche pays doctors $1,200 if they prescribe the antibiotic Rocephin for 20 hospital patients.

Big-shot program: In return for purchasing vaccines, Connaught Labs awards points redeemable for VCRs, personal computers and TVs.

Computer freebie: Consortium of 10 drug companies provides doctors with free $35,000

computer systems if they spend 20 minutes a week reviewing "promotional messages" and "clinical information" and complete four continuing medical-education programs a year.

Beachside bonus: Ciba-Geigy offers free Caribbean vacations to doctors in return for their sitting in on a few lectures about Estraderm, an estrogen patch.

[From Fortune, July 29, 1991]

DRUGMAKERS UNDER ATTACK

(By Brian O'Reilly)

No American industry has ever defied the laws of economic gravity like pharmaceuticals. For the past 30 years the drugmakers of the Fortune 500 have enjoyed the fattest profits in big business. They also evoke some of the most intense emotions, as anyone who has been to the drugstore lately knows: gratitude when a sorely needed medicine works—and fury at what it costs.

Drugmakers have rewarded shareholders with returns on equity 50% higher than the median for Fortune 500 industrial companies (see chart). In recent years the gap actually *widened*: Returns on equity for these investors' darlings climbed to 26% in 1990, double the Fortune 500 median. Part of that was the payoff from successful new medicines like Mevacor, a cholesterol cutter from Merck, and Prozac, an antidepressant from Eli Lilly. But part of it also came from hefty price increases on drugs that have been around for years. During the 1980s the average cost per prescription for established drugs climbed at double the rate of inflation.

Small wonder that the industry is under assault. Patient advocacy groups, the federal and state governments, and large corporations, which feel the pain through mounting costs for medical plans, are asking hard questions about what drugmakers charge. Congressmen and Senators leap before the TV cameras to decry outrageous profiteering. One frequent critic, Senator David Pryor, an Arkansas democrat and chairman of the Special Committee on Aging, ominously notes that the U.S. is the only major country that regulates neither drug prices nor drug profits.

AIDS victims were among the first to protest. They raged at Burroughs Wellcome for putting a $10,000-per-year price on AZT, which slows the onset of the disease's symptoms. They got the price cut twice. Attorneys general for more than 30 states filed an antitrust suit against Sandoz, maker of the schizophrenia drug Clozaril. Patients who take it need weekly blood tests; Sandoz insisted they buy the drug and the tests from a California supplier, at a cost of $9,000 a year. Sandoz later dropped the requirement.

Drug industry leaders think much of the criticism is unfair. "We don't want to see a gem of U.S. industrial prowess hampered by limits on prices," says John R. Stafford, CEO of American Home Products and chairman of the American Pharmaceutical Association. Asks a more combative Edmund T. Pratt Jr., chairman of Pfizer: "What industry would you rather have be the most profitable?"

Pratt has a point. The next-most-profitable industries in the current Fortune 500 sell soap, food, and soda pop. But this business saves lives. Even Pryor, one of its harshest critics, might not be around today without the medicine he has taken since a recent heart attack. "It may be lifesaving," he says "but that does not mean you can charge whatever you want for it. I can afford to buy my drugs. Too many other Americans simply cannot."

The industry produces powerful economic benefits. Pharmacies carry scores of new medicines that reduce the need for costly surgery and prevent the loss of work time to illness. Economic chauvinists can thump their chests over the industry's success as well: By one estimate, U.S. manufacturers account for 42% of the major drugs marketed worldwide.

Don't expect this river of success to roll on forever. In the next few years, profits will almost certainly fall. While virtually every large pharmaceutical company is highly lucrative now, the business will get much riskier. By the mid-1990s, companies that turn out truly innovative products—the possibilities include medicines for enlarged prostates and for joint deterioration from arthritis—will make more money than ever. But those that have grown fat producing high-priced me-too medicines will face price wars and shrinking profit margins, bitter pills indeed. Upjohn won't be able to boost earnings the way it does now, by raising the price of some old drugs 25% to 30% a year. And Glaxo, a British company, will have to fight hard to show why doctors shouldn't start patients on over-the-counter antacids, at perhaps $50 a year, before going to Zantac ulcer medicine, at $500.

How has the industry made so much money for so long? Drugmakers would like you to believe their earnings are the natural reward for brilliant science and gargantuan spending on research and development. Those are important—they helped make Merck the largest seller of drugs in the world and will buoy the performance of Bristol-Myers, Squibb, and Pfizer in the next few years. Companies without them eventually fade away. But innovation doesn't explain all.

While drugmakers funnel hundreds of millions into R&D (typically 15% of revenues, a much higher proportion than in other industries), they spend up to twice as much on sales and marketing. American Home Products, a superb marketer with one of the poorest records of innovation, earned a 46% return on equity last year, ranking it 16th on the FORTUNE 500, one notch behind Merck (with 46.5%).

Those earnings flow from a peculiar combination of competent research, some genuinely innovative products and many that aren't, marketing muscle, and immensely valuable patent protection. Most important, says Robert P. Bauman, CEO of SmithKline Beecham, which makes Tagamet, one of the best-selling drugs in history, "it's a business that has never competed on price." Many industries benefit from one or another of these qualities and conditions, but only drugs has them all in quite so potent a combination.

For all its voluptuous profitability, the pharmaceutical industry is not huge. Americans paid some $50 billion for prescriptions in drugstores and hospitals last year (vs. $150 billion for cars and $100 billion for computers). The rest of the world paid $120 billion for prescription drugs. Nor does the industry command a growing wedge of the health care pie. Mainly because other medical costs have risen so fast, drugs and supplies as a percent of medical spending in the U.S. has declined sharply, from 16% in the 1960s to 7% today. That is far less than in Japan, the world's second-largest drug market, where doctors make money dispensing medicine themselves and drugs make up 17% of health spending (see box).

In the 1980s the industry's already robust profits began to improve. Companies deglomerated: American Home Products, Lilly, Squibb, and others sold off candy, cosmetics, and other less profitable nondrug lines. Sterling, Rorer, and Warner-Lambert cut administrative and manufacturing costs.

Even more significant were new scientific methods that begot the first billion-dollar babies—ulcer medicines Tagamet from SmithKline and Zantac from Glaxo, which each take in $1 billion or more annually at wholesale worldwide. They in turn opened a new era of drug marketing, in which armies of salesmen march across the globe drumming up demand. Says Paul Brooke, a pharmaceutical analyst at Morgan Stanley: "The $50-million-a-year drug of the 1970s became the $500-million-a-year drug of the 1980s."

Before Tagamet, pharmaceutical R&D consisted mainly of trial and error—testing dirt samples for possible antibiotics or injecting plant extracts into laboratory animals to see what would result. Developing a $100-million-a-year drug typically required trials on over 60,000 compounds, says Jay Silverman of Nomura Research in New York City.

But in the late 1970s scientists developed an understanding of receptors in the body that block or trigger biochemical responses; new laboratory tools made if feasible to tailor molecules to fit those receptors. Hence Tagamet, which works by blocking a histamine receptor in the gut that triggers acid secretions. Good for patients, it proved so effective that ulcer surgery was virtually eliminated. Good for SmithKline, it had impressive economics: At around 80 cents per patient per day wholesale, Tagamet generated far more sales than ordinary antacids. Introduced in 1977 in the U.S., the drug hit the $1-billion-a-year mark worldwide in 1986.

Glaxo came up with Zantac in 1981. It has fewer adverse interactions with other drugs than Tagamet does. But Glaxo's real breakthrough was in marketing. Rather than rely entirely on its sales force, the company contracted with hundreds more "detail men" from Hoffmann-La Roche to promote Zantac all over the world.

Despite a U.S. price 50% higher than Tagamet's Zantac promptly shoved the original aside, says Bauman, who was head of Beecham Group of London when it merged with SmithKline in 1989:"History may show that SmithKline was a little complacent. But Glaxo was the pioneer in realizing the power of marketing." Zantac's sales last year totaled $2.4 billion, the highest ever for a drug. Tagamet sold $1.2 billion. In both cases, about half those revenues came from the U.S.

The power of marketing turned out to be stunning indeed, especially for companies with new, high-priced drugs for chronic illness. The 1980s brought plenty, including cholesterol cutters, preparations for arthritis known as NSAIDs, and blood-pressure reducers known as ACE inhibitors. Says Marc Mayer, a security analyst at Sanford Bernstein in New York: "There was an awakening, that the amount of marketing money you could spend on a high-margin drug for chronic illness was vast."

Why vast? New drugs commonly sell at wholesale prices three to six times what they cost to make. The generous gross margins give drug companies loads of money to spend. Mayer cites Squibb's ACE inhibitor Capoten, another medicine with annual global sales of more than a billion dollars, used to treat high blood pressure. Druggists might pay $300 for a year's supply that costs only $50 to produce. Says Mayer: "A person on an antihypertensive stays on it the rest of his life. That's often thousands of dollars over the life of a patient. It's an annuity for the drug company. It pays for a lot of sales calls."

Mayer figures that if a salesman visits 40 or so doctors, and only one puts a single pa-

tient on such a drug, the company covers the salesman's cost. With arithmetic like that, the surprise is that the number of detailers only rose 50% in the late 1980s. "Companies expand their sales forces until they run out of doctors to call on," Mayer says. Many drugmakers have three or four sales teams, so when a doctor gets fed up seeing one detailer, another can come pushing the same product.

Detailers are often knowledgeable—many are licensed pharmacists—but dubious selling practices do occur. In 1987, American Home Products launched a program that allowed doctors to earn airline tickets by prescribing Inderal, a blood-pressure medicine facing competition from far cheaper generic drugs, and submitting patient profiles. Critics called it the Frequent Prescriber plan. Massachusetts Medicaid officials began an investigation; AHP let the program expire and refunded $195,000 to the state. Last December the American Medical Association issued guidelines that discourage doctors from accepting expensive gifts from drugmakers.

The extent to which companies have cranked up what they charge for existing products is revealed in a Purdue University study of wholesale prices for 104 pharmaceuticals, which account for 80% of industry revenues from the elderly. The prices rose an average of 8.6% a year from 1981 to 1988, more than twice the average increase in the consumer price index. One barometer of the pricing freedom enjoyed by drug companies with patents: Generic drugs rose just 2.7% per year during that time.

Every manufacturer would like to slap a fat price tag on his product without worrying about customers switching to competing goods that cost less. How do drug makers get away with it? Ask your doctor. In this business the person who makes the buying decision is not the person who spends the money and cares most about what a drug costs. Says Dr. Jerry Avorn, an associate professor at Harvard medical school: "Prices are high because there's a unique relationship at work. The person who pays is not the person who prescribes." A student of prescribing habits, Avorn consults for cost-containment services, firms that help corporations hold down employees' medical bills. He says many doctors are influenced as heavily by pitches and brochures from salesmen as by careful reviews of pharmacological data.

Avorn points to the NSAIDs, which include over-the-counter brands Nuprin and Advil, and prescription drugs with $5 billion in worldwide sales last year. The best-selling prescription versions in the U.S. include Feldene from Pfizer and Voltaren from Ciba-Geigy; daily doses cost around $2. Says Avorn: "If you look at the data, for most patients there is no difference in effectiveness between the expensive new drugs and older generic products that cost a fraction as much."

So why do doctors stipulate high-priced brands, and why have dozens of drug companies developed nearly identical products? "There's a lot of switching between brands," says Avorn. "For many patients, arthritis pain never really goes away, so when a patient complains, the doctor will say 'Mrs. Smith, you're not doing well on Feldene. Let's try Voltaren.' Many doctors have no idea what the new drug costs."

In this market, ordinary economics seems not to apply. Since the real decision-makers—doctors—care little about prices, discounting neither wins market share nor stimulates overall demand. In fact, says Ramesh Ratan, former controller at a division of Bristol-Myers, the opposite may occur. Instead of turning a market with $200 million in sales into one with $400 million, price cutting can slash revenues in half. The upshot, says Ratan: "Price wars don't exist in pharmaceuticals."

Drug company executives often deflect critics by complaining about the time and expense of getting new drugs approved by government bureaucrats. But for many companies, those hurdles wind up *boosting* financial performance. Producing a successful new drug probably costs around $200 million, if the cost of drugs that never make it is lumped in. The process usually takes 12 years, from the time a chemical is spotted as having a useful effect on cells in a test tube to the time of Food and Drug Administration approval. Only about 25% of a company's R&D budget goes for original, stab-in-the-dark research. Most is spent on three phases of testing spread over six to eight years, usually involving thousands of patients and hundreds of physicians and statisticians.

Ever since the 1961 thalidomide scandal, in which a fetus-damaging German sedative nearly made it into U.S. pharmacies, the FDA has been the world's strictest review agency. Last year it approved just 23 new compounds, 15 of which were already being sold in Europe. The trials and reviews add enormously to drug's cost, and since a compound is usually patented long before it is approved, the delay cuts about five years of useful life from a 17-year patent.

Yet those same FDA hurdles help make drug patents worth far more than patents in other industries. Explains James Vincent, CEO of Biogen, a Cambridge, Massachusetts, biotech company: "If a competitor changes a molecule even slightly, it can have a dramatically different effect on the body—and he has to start the FDA approval process all over again."

One consequence: Drugmakers that do fast and efficient R&D and get to market first reap enormous rewards. Stephen Schondelmeyer, who headed Purdue's studies of the industry and is now at the University of Minnesota, says companies with an innovative drug often enjoy years without competition, during which "they can price any way they want." The lengthy development period provides years of advance notice about what competitors are up to and enables companies to plan way ahead. Pfizer came up with few best-sellers during the 1980s but now has a pipeline full of new products. In anticipation it has hired 900 salesmen and created a sales company, Pratt Pharmaceuticals, named after the chairman.

The boom will end for many drug companies in the 1990s. Price pressure from the federal government, insurance companies, and HMOs is increasing. Blockbuster drugs that in some cases account for more than half their makers' earnings will go off patent, and generic knockoffs will invade their markets. Sales growth in Europe, source of much new revenue in the 1980s, may slow sharply too.

Last year, Congress passed a law that requires drugmakers to give rebates on prescriptions paid for by Medicaid, the federal and state program that helps the poor. If a manufacturer hikes prices faster than inflation, the rebate goes up. Medicaid is the industry's single-largest customer. By itself, the program accounts for only 13 percent of U.S. drug purchases, but the law has encouraged other big buyers to press drug companies harder. Elizabeth Dichter, vice president of PCS, a Scottsdale, Arizona, company that manages prescription drug benefits for 20 million corporate employees and dependents, describes the government as "the fat boy in the canoe. When it leans, everybody else winds up on the same side of the boat."

Until recently, organized pressure on pharmaceutical companies was rare, partly because there weren't many big buyers. Five years ago only 25 percent of the U.S. population had even part of its prescription costs paid directly by third parties. Now half the population is covered in that way, and Schondelmeyer of the Purdue studies estimates the proportion will climb to 65 percent by 1995.

The rise of companies like Medco Containment Services could change the economics of the industry. Medco saves money for General Motors, Mobil, Southwestern Bell, and other employers by overseeing worker and retiree prescriptions—$1.3 billion worth in the fiscal year ended in June. Lately it has been telephoning doctors who needlessly choose expensive drugs. In June it began sending pharmacists to visit doctors in Massachusetts and pointing out ways to cut unnecessary prescriptions. A primary target: Zantac. Medco President Martin J. Wygod contends that only rarely is it necessary to prescribe Zantac instead of other ulcer drugs.

Some 35 percent of the doctors Medco calls agree to switch, Wygod says. Charles Sanders, chief of Glaxo's U.S. operations, doubts such programs will have much effect: "If you attempt to practice medicine on the basis of price, you'll have a rebellion by doctors. They want to prescribe on the basis that they are giving the best medicine." Wygod's response: "Say we told a doctor in Lansing, Michigan, we were calling on behalf of General Motors. Most of his patients are GM employees or retirees, and he knows who's paying the bills." Pressure of the kind Medco applies could make it necessary for drugmakers to prove to big customers that their medicines are cost-effective. Those that are not will sell for less, or not at all.

When the patent expires on a blockbuster drug, generic makers eat away its market faster than they used to. Until the 1980s, getting FDA approval to launch a generic was difficult: The newcomer had to spend tens of millions to repeat the same elaborate clinical trials as the original maker. The Waxman-Hatch Act of 1984 reduces the requirement to showing that the generic product's active ingredient meets the same pharmacological standard as the original and is delivered as effectively to the body.

Scandals in 1989 over fraud and kickbacks by generic makers who wanted preferential FDA treatment slowed the law's implementation. But nowadays generics cut sales of major drugs by half within a year or two after the patient's expiration, much faster than before Waxman-Hatch. Makers of generics, such as Abbott Laboratories, Warner-Lambert, and American Cyanamid, can look forward to increasingly juicy targets. Patients expired last year on major drugs with annual U.S. sales of $363 million. This year the figure is $541 million, and it will leap to $1.9 billion in 1992 and $2.6 billion in 1993.

Patent expirations will whack some companies harder than others. Among the worst hit, analysts say, will be Upjohn, which by 1993 will lose drugs pulling in $550 million annually in the U.S. It recently developed a brilliantly original class of drugs called Lazaroids, which halt the spread of nerve damage when used shortly after an injury. But Rogaine, Upjohn's heavily advertised baldness remedy, hasn't met expectations, and other new drugs in the pipeline probably

will not make up the loss from products on which patents are expiring. In an apparent effort to boost revenues, the company has jacked prices on some of those drugs through the roof. Xanax, an antianxiety drug, went up 25% between January 1990 and January 1991. Halcion, a sleeping pill, rose 30%.

Other companies will fare better: Pfizer has a huge repertoire of new products on the way. According to projections by Mayer of Sanford Bernstein, they will generate $4 billion in worldwide sales in 1995 and account for 40% of the company's revenues. Merck won't lose any major products before 1997 and has new stuff on tap that is estimated to bring in $3 billion in revenues in 1995. At Bristol-Myers, says Mayer, new drugs will make up $3.5 billion of annual sales by then.

The international environment won't get any better in the next few years. Largely because of varying government regulations, prescription prices in some parts of Europe are double those in others, says analyst Stewart Adkins of Shearson Lehman Brothers in London. The coming abolition of trade barriers could be a drugmaker's nightmare. To take advantage of price differences, wholesalers could buy drugs cheap in Barcelona and truck them to Stuttgart. By the time prices stabilize, says, Adkins, revenues could fall as much as 20%.

How will drugmakers keep margins healthy? Forget price increases, says Norman Selby, a drug industry expert at McKinsey & Co.: "The days of pricing above inflation are ending." The best prescription for profits, of course, is to find cures for cancer, Alzheimer's, arthritis, and other unsolved banes. Unique medicines that cut overall health care costs will also be in demand. Example: Merck's Mevacor, which lowers cholesterol and reduces the likelihood that a patient will need heart surgery.

Companies will have to rethink the marketing practices that have paid off so well up to now. Those armies of salesmen aimed at doctors may lose some brigades. With gimlet-eyed review boards at corporations and insurance companies exerting more control over which medicines get prescribed, drugmakers must learn to pitch drugs on the basis of economy as well as therapy.

Also indicated: more prudent R&D. Major firms today boast of pouring millions of dollars into the lab. But sheer bucks are a poor predictor of innovation. Much money is wasted on projects that fascinate scientists but have little commercial potential, or on low-risk, low-reward, me-too research. According to an Arthur D. Little study, Lilly and Merck spent about the same on R&D from 1980 to 1988, but Lilly has much less commercial success to show for it. In fact, companies that spent more on R&D didn't necessarily come up with more drugs, says Marsha Fanucci, the study's author.

One company that did, says Fanucci, is Merck. Its dramatic success demonstrates that R&D can be managed well. The Rahway, New Jersey, giant shook up competitors in the 1980s, for example, by setting new standards in clinical testing. While most drug companies try out compounds on 1,500 patients, Merck uses more, sometimes as many as 5,000. That increases the reliability of the tests, helps the drugs through FDA review, and gets them into pharmacies faster—payoffs that more than offset the added expense. The benefit for Merck: healthier patients and profits alike. Other drugmakers need to find equally clever ways to reach that dual goal.

AMERICA'S BEST-SELLING DRUGS

[Dollars in millions]

Product and maker	Ailment treated	1990 sales	Year patent expires
Zantac: Glaxo	Ulcers	$1,305	2002
Cardizem: Marion Merrell Dow	Hypertension and angina.	743	1992
Procardia: Pfizer	Hypertension and angina.	727	1991
Prozac: Eli Lilly	Depression	660	2001
Mevacor: Merck	High cholesterol	600	1999
Capoten: Bristol-Myers and Squibb.	Hypertension and congestive heart failure.	585	1995
Vasotec: Merck	Hypertension and congestive heart failure.	570	2000
Tagamet: SmithKline and Beechom.	Ulcers	560	1994
Ceclor: Eli Lilly	Bacterial infections	500	1992
Naprosyn: Syntex	Arthritis	455	1993

Fortune table; source: Medical Advertising News.

[From the Washington Post, Sept. 7, 1991]

FDA WILL PROBE SMITHKLINE ON PITCH FOR UNLICENSED DRUGS

(By David Brown)

The Food and Drug Administration said this week it will investigate complaints that SmithKline Beecham, the giant pharmaceutical company, may be promoting unlicensed drugs in the hope that doctors will be "primed" to prescribe the medicines should they be approved.

If the complaints prove true, the move could end one version of a common drug marketing strategy in which doctors are lured by free meals and gifts to hear drug company sales representatives pitch their prospective products.

Federal law prohibits drug companies from promoting drugs that have not won FDA approval and from promoting drugs for unapproved uses.

SmithKline last month held three sessions in Baltimore in which a "marketing consultant" met with doctors to discuss nabumetone, a pain-killer and anti-inflammation drug the company is developing. Three more meetings are planned for this month to discuss paroxetine, an antidepressant. Neither has been approved by the FDA.

The doctors were given free dinner at the Stouffer Harborplace Hotel in downtown Baltimore, as well as a $100 gift certificate for medical books. A company spokesman said similar dinners are planned for other cities, including Pittsburgh, Fort Lauderdale, Fla., and New York.

Invitations to the dinners were sent by fax machines to an office at Johns Hopkins Hospital. A doctor there who was offended by the ploy passed them on to the Public Citizen Health Research Group, a watchdog organization here, which complained to the FDA.

"Priming prescribing doctors to be poised to write prescriptions for a drug whose safety and effectiveness have not been established to FDA's satisfaction is a practice which FDA has clearly stated to be illegal," Sidney M. Wolfe, a physician and director of the Health Research Group, wrote to FDA Commissioner David A. Kessler. Wolfe asked Kessler to "promptly initiate criminal prosecution" of SmithKline.

The legality of the dinner meetings apparently hinges on whether they were legitimate "focus groups" put together by the drug company or 2½-hour advertisements dressed up to look like market research.

The invitations to both dinners said, in part: "Your role will be to examine and discuss the profile of this new important product . . ; and offer your suggestions on how to best communicate efficacy, safety and patient management to other physicians when this product is introduced. Let me emphasize that the proceedings of this meeting will be strictly confidential. We'd like to offer you a complimentary dinner and a William & Wilkins (medical book publisher) gift certificate worth $100. Are you interested in attending?"

The session to discuss the antidepresent drug, called paroxetine, was addressed to "internists, primary care, fellows, sr yr (senior year) residents." The session for the pain-killer was for "rheumatologists and primary care physicians."

SmithKline, which had worldwide sales of $9 billion last year, maintains that the sessions are part of its pre-market research. Jeremy Heymsfeld, director of corporate information for the company in Philadelphia, said about 10 doctors showed up for each session.

"If we find that the invitation was sent out to a large number of physicians," an FDA spokesman said, "it would be considered a promotional activity and not legitimate marketing research. In that case, it would probably violate FDA rules regarding promotion of unapproved drugs."

Heymsfeld said the meetings had a different purpose: "The point of the meetings is to obtain information (such as how) doctors think we should best communicate the attributes of the two drugs, perhaps what other studies should be done, things of that nature."

"We have these kinds of meetings all the time for both marketed drugs and ones that are not yet on the market," Heymsfeld said.

SmithKline's dinner meetings differ markedly from focus groups run by one marketing research company that does work for drug firms.

"Generally, market research is done at a market research facility where there is a one-way mirrored wall that allows a client to observe the meeting," said Frank J. Smith, president of physician communications at the Vanderveer Group, of Fort Washington, Pa.

Physicians are drawn from a "data base," and usually are screened with questionnaires before the sessions to make certain they represent the population whose opinions are being sought, Smith said.

The two drugs discussed at the dinners are each members of highly competitive and lucrative classes of prescription medicine.

Nabumetone is a "non-steroidal anti-inflammatory drug" (NSAID), a large family whose best known member is ibuprofen, which is sold as Motrin and several other brand names. More than 100 million prescriptions for NSAIDs are written each year, and some people with chronic inflammatory diseases such as rheumatoid arthritis take the drugs for years on end. In 1984, about one in seven Americans was treated with one of the drugs, according to a recent study.

Paroxetine is in the same chemical class as fluoxetine, the world's largest selling antidepressant, sold as Prozac.

The doctor who passed the SmithKline invitation to the Health Research Group did not attend the dinners. He said this week, however, that he had attended a similar meeting several years ago while he was a medical resident in Kansas City.

That meeting concerned a drug already on the market. A company salesman handed around copies of promotional material and, after a brief presentation, asked for critiques.

"Basically, you have 15 or 20 doctors sitting around a table drinking wine and having

a good time," said Edward F. Ellerbeck, now a fellow in general internal medicine at Johns Hopkins. During the discussion, some of the doctors reiterated positive statements about the drug that were made in the promotional materials. "Other doctors saying positive things about a drug has much more influence on you than if the pharmaceutical representative has said it," Ellerbeck recalled.

"Even though this was under the guise of market research, it appeared that it was more an attempt to change my prescribing practices," he said.

At the end of that session, each doctor was given $100 in cash as payment for "consulting services." Ellerbeck said he went to the meeting in large part because of the promise of a good meal and the cash.

The American Medical Association since has said that it is unethical for doctors to accept cash gifts for attending educational or promotional sessions run by drug companies. Small gifts that benefit patient care, such as medical books, are allowed.

The AMA has not speficially said whether a gift certificate for medical books, such as was offered by SmithKline at the recent dinners, is allowed. The AMA guidelines permit physicians to be paid for legitimate consulting work done for drug companies.

LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Iowa.

Mr. HARKIN. Mr. President, I understand the matter before the Senate now is Labor, Health and Human Services——

The PRESIDING OFFICER. Yes, H.R. 2707. What is pending is the first committee amendment.

Mr. HARKIN. Mr. President, I ask unanimous consent committee amendments 1 through 8 be laid aside.

The PRESIDING OFFICER (Mr. GRAHAM). Is there objection? Without objection, it is so ordered.

STATEMENT ON LABOR-HEALTH AND HUMAN SERVICES-EDUCATION APPROPRIATIONS

Mr. SASSER. Mr. President, the Senate Budget Committee has examined H.R. 2707, the Labor-Health and Human Service-Education appropriations bill and has found that the bill is under its 602(b) budget authority allocation by $584 million and under its 602(b) outlay allocation by $491,000.

I compliment the distinguished manager of the bill, Senator TOM HARKIN, and the distinguished ranking member of the Labor-Health and Human Services-Education Subcommittee, Senator ARLEN SPECTER, on all of their hard work.

Mr. President, I have a table prepared by the Budget Committee which shows the official scoring of the Labor-Health and Human Services-Education appropriations bill and I ask unanimous consent that it be inserted in the RECORD at the appropriate point.

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

SENATE BUDGET COMMITTEE SCORING OF H.R. 2707—LABOR-HHS SUBCOMMITTEE—SPENDING TOTALS—SENATE REPORTED

[In billions of dollars]

Bill summary	Budget authority	Outlays
H.R. 2707:		
New BA and outlays	182.3	146.8
Enacted to date	20.9	54.2
Adjustment to conform mandatory programs to resolution assumptions	−2.3	−2.2
Scorekeeping adjustments	0.0	0.0
Bill total	200.9	198.8
Senate 602(b) allocation	201.5	198.8
Total difference	−0.6	−(*)
Discretionary:		
Domestic	58.3	57.8
Senate 602(b)	58.9	57.8
Difference	−0.6	−(*)
International	(*)	(*)
Senate 602(b)	(*)	(*)
Difference	−(*)	−(*)
Defense	0.0	0.0
Senate 602(b)	0.0	0.0
Difference	0.0	0.0
Total discretionary spending	58.3	57.8
Mandatory spending	142.6	141.0
Mandatory allocation	142.6	141.0
Difference	0.0	0.0
Discretionary total above (+) or below (−):		
President's request	2.2	0.4
Senate-passed bill	NA	NA
House-passed bill	−0.2	(*)

AMENDMENT NO. 1083 TO EXCEPTED COMMITTEE AMENDMENT BEGINNING ON PAGE 3, LINE 24

(Purpose: To increase the amounts made available for disease control, biomedical research, mental health, low-income home energy assistance, legalization assistance grants Head Start, Chapter I basic grants, and Pell grants, offset from defense)

Mr. HARKIN. 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 Iowa [Mr. HARKIN], for himself, Mr. BRADLEY, Mr. ADAMS, Mr. WELLSTONE, Mr. PELL, Mr. SIMON, Mr. BURDICK, Mr. CRANSTON, and Mr. KERRY, proposes an amendment numbered 1083 to excepted committee amendment beginning on page 3, line 24.

Mr. HARKIN. 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:

Beginning on page 4, line 2, strike all after the word "for" and insert the following: "the program year July 1, 1991, through June 30, 1992; for additional amounts as follows:

(a) In addition to amounts appropriated in this Act, there are appropriated to the Centers for Disease Control for "Disease control, research, and training", $150,000,000.

(b) In addition to amounts appropriated in this Act, there are appropriated to the National Institutes of Health for "National Cancer Institute", $400,000,000, and "National Institute on Aging", $170,000,000.

(c) In addition to amounts appropriated in this Act, there are appropriated to the Alcohol, Drug Abuse, and Mental Health Administration for "Alcohol, drug abuse, and mental health", $100,000,000.

(d) In addition to amounts appropriated in this Act, there are appropriated to the Administration for Children and Families for "Low Income Home Energy Assistance", $400,000,000, and "Human Development Services", $900,000,000, for carrying out the Head Start Act: *Provided*, That of the amounts available under this Act for carrying out the Head Start Act, $900,000,000 shall not be subject to sections 640(a)(2)(C), 637(5)(B) and 640(a)(3)(A) of that Act.

(e) Section 204(a)(1) of the Immigration Reform and Control Act of 1986 is amended to read as it did prior to its amendment by the Department of Health and Human Services Appropriations Act, 1992, and is further amended by adding at the end thereof the following new subparagraphs:

"(D) Funds appropriated for fiscal year 1992 under this section are reduced by any amount in excess of $400,000,000. Of the amount remaining, $6,000,000 shall be available, through fiscal year 1994, for Federal administrative costs.

"(E) For fiscal year 1993, there are appropriated to carry out this section for costs incurred on or after October 1, 1989 (including Federal, State, and local administrative costs) out of any money in the Treasury not otherwise appropriated, $2,000,000,000 (less the amount described in paragraph (2) for each of fiscal years 1990 and 1991) less the amount made available for allotments to states under subsection (b) for fiscal years 1990, 1991, and 1992."

(f) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Compensatory Education for the Disadvantaged", $258,000,000, which shall be available for basic grants under section 1005 of chapter 1 of title I of the Elementary and Secondary Education Act of 1965, as amended, and which shall remain available through September 30, 1993.

(g) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Student Financial Assistance", $270,000,000, which shall remain available through September 30, 1993: *Provided*, That, notwithstanding any other provision of this Act, during the 1992–1993 program year, $2,500 shall be the maximum Pell grant that a student may receive.

(h) In addition to amounts appropriated in this Act, there are appropriated to the Health Resources and Services Administration for "Health resources and services", $100,000,000.

(i) Of the funds appropriated or otherwise made available to the Department of Defense in any appropriations Act making funds available to the Department of Defense in fiscal years before fiscal year 1992 and which would remain available until expended, $7,616,281,000 of the remaining balances are rescinded: *Provided*, That no funds appropriated or otherwise made available for military family housing, National Guard and reserve equipment, military construction for any National Guard or Reserve unit, in any appropriations Act shall be rescinded.

(j) Notwithstanding section 601(a)(2) of the Congressional Budget Act of 1974 as amended, the fiscal year 1992 discretionary spending limit for the domestic category, as adjusted under section 251 of said Act, is increased by $3,148,000,000 in budget authority and $1,632,000,000 in outlays; the fiscal 1993 discretionary spending limit for the domestic category, as adjusted under section 251 of

said Act, is increased by $1,516,000,000 in outlays; and the defense spending limits, as adjusted under section 251 of said Act, are decreased by budget authority and outlay reductions resulting from paragraph (i)."

Mr. HARKIN. Mr. President, the amendment that is now pending at the desk adds $3.15 billion to the bill for 10 programs that are underfunded by the regular bill. The increases included in this amendment would have been in the body of the regular bill had our 602(b) allocation been higher. This additional spending is offset by reducing Defense Department outlays by $1.63 billion during fiscal year 1992 by rescinding prior year unobligated balances.

I might just say for the benefit of the Senators, this is the amendment that I have been proposing. It has been around now for about a month-and-a-half or so. "Dear Colleagues" have been sent out from me to Senators' offices. I am sure the staffs have them if the Senators have not had the opportunity to read them yet.

This is the basic transfer amendment. This is the amendment by which I seek to reduce outlays in DOD, the Defense Department, and to shift those outlays for much needed programs in the area of health and human services and education. I will get, further in my remarks and my statement about the amendment, into exactly how this is done. But I wanted Senators, and especially their staff, to know that this is the Harkin transfer amendment about which so much has been spoken lately.

People have been talking about it and asking me when I was going to offer it. Earlier I said I did not know exactly when because I did not know, during the day, how amendments would be offered, and how things would be worked out. With the laying aside of the first eight amendments, I was able to bring up this amendment today. I am hopeful we can debate this issue and vote on it sometime yet this afternoon.

This amendment offers the Senate a simple and straightforward choice: Do we start investing in solutions to our Nation's pressing domestic problems? Or, in the aftermath of the events of the past month, do we continue to pour billions of dollars into the subsidy of Europe's defense against a now nonexistent Soviet Union?

For the past decade, we have been told that there are things more important to America than meeting our domestic challenges. We have been told that in this dangerous world in which we live, there are demands more pressing, concerns more important, and threats to our national security more immediate than the health and welfare of our people.

So, year after year we have been asked to stop investing in our country so that we can build weapons to help people in other countries. I do not mean to go back and debate that. What I do want to say is that today, in constant dollars, we are still spending $64 billion more on defense than we were in 1980. Let me repeat that. In constant dollars, we are still spending $64 billion a year more than we were in 1980.

Compare that to the $6 billion decrease in the discretionary human resources programs in this subcommittee over this same period of time. So compared again in constant dollars, the 1980 defense is still up $64 billion; constant dollar spending on things like health, biomedical research, education, job retraining, all those programs under the jurisdiction of this committee is down by a total of $6 billion.

Today, we are at a crossroads and we need to make some choices. That is what this amendment is about, choice. The Old World is over; a New World has begun. The Warsaw Pact is disbanded; the cold war is over. In the past month, the Soviet Union itself has dissolved, and now we need to address ourselves to new choices and to this New World.

Do we continue to throw billions of dollars to combat the now nonexistent threats of the past? Or do we start investing in the real challenges that confront us? The defense buildup in the 1980's was predicated on the Warsaw Pact and the Soviet threat. In fact, according to the Pentagon's own estimates, some 60 percent of our military budget was devoted to stopping a surprise Soviet Warsaw Pact attack on Western Europe. In present spending, that is about $160 billion a year that we are spending to stop an attack by a military force that no longer exists, led by a country that no longer exists. Imagine that. Go out to the people of this country and tell them: You have a choice. Do you want to continue to spend $160 billion of your money—that is what it is, it is your money—to defend Europe from the Soviet Union, or whatever it is called now, do you want to do that? Or do you believe that Europe is strong enough, rich enough—I might add the German economy is growing at a rate five times faster than ours is. If you believe Europe is strong enough and rich enough that it can defend itself if it wants to, from whatever that threat is, then your choice is to take some of that money, a little bit, not much, a little bit, and meet some of the needs we have in America and start investing in better education, better health, better biomedical research, things that make our people smarter, healthier, and more productive citizens.

Today, we continue to direct billions of dollars into this subsidy—make no mistake, that is what it is, a subsidy—of the European economy. And I think, I say this honestly and forthrightly, an argument could be made for that after World War II, the Marshall plan. I support the argument that in the fifties, sixties, seventies and eighties we had to keep Europe strong, that we had our obligations to NATO. But it is over with. That is done. That is the past. If we want to continue spending our money on the past and confronting the enemies of the past, then we will continue to spend $160 billion a year. We spend billions to house and feed over 700,000 Americans living in Europe. I repeat, 700,000 Americans living in Europe we continue to house and feed and subsidize, subsidizing Europe's defense against the Warsaw Pact and the Soviet Union. As I said, the Warsaw Pact no longer exists and the Soviets, whatever they are called now, are more concerned about bread than bombs. The last thing they have on their mind is to invade Europe. The world, as we knew it, has changed in the past 3 weeks. It started changing 2 years ago when the Berlin Wall was brought down. In the last 3 weeks, it has changed dramatically. It is time that our budget priorities start reflecting those changes.

We used to talk about a missile gap, but today we have a human investment gap in this country, a human investment gap that is seen every time people ask why we are not winning the war against cancer, why we are not winning the war against AIDS, and why we are not winning the war to get all our children immunized, a human investment gap that proves time and time again that the real threats to our national security are not halfway around the world, they are halfway down our streets. Realize, we have spent more on military research in the last 31 months than we have on all biomedical research since the turn of this century. Let me repeat that because it is so astounding that it boggles the mind. We as a country have spent more on military research in the last 31 months than we have on all biomedical research since the turn of the century. That means cancer research, polio research, AIDS research, Alzheimer's research, heart-lung-blood research, arthritis research—go right down the list and add them all up. In 31 months, we spent more on military research than we have on all those programs since the turn of the century. People ask, why are you not winning the war on cancer? There it is. Why we cannot find a cure to AIDS. There it is. Why we are not moving ahead with diagnostic techniques on Alzheimer's. There it is. That is where it is.

This amendment that I have offered on behalf of myself and others seeks to close that human investment gap, to shift our priorities from subsidizing the defense of other countries in Europe to investing in our solutions at home.

Let me make it clear, Mr. President. This amendment is not asking us to spend more money. It is only asking to spend our money differently. It does not require one penny of new taxes, but it does require about an ounce of political will and political courage. This

amendment is not asking us to cut military personnel. We do not have to cut military readiness or military training. It will not affect family housing or the National Guard. This amendment will not weaken our defense. Instead, it is asking that we rescind funding authority for military programs whose sole purpose was to fight the cold war, to rescind unobligated balances from defense procurement programs, defense research and development, testing and military construction, much of which was authorized before the fall of the Berlin Wall and the disintegration of the Warsaw Pact.

Let me make this clear. This amendment seeks to shift money not out of readiness, not out of manpower; it does not touch any of those. But in the Department of Defense, there is unobligated money that we authorized the Department to spend. Some of that authorization goes back to 1987. Is our bureaucracy so imbued with inertia that we cannot make just a slight change? I thought the Soviet Union had a terrible bureaucracy and inertia, and look how it could change. Look what happened to them in the last 3 or 4 weeks. We cannot respond?

So this amendment offers a simple choice: Do we want to continue spending billions of dollars in other countries, or do you think we can put that money to good use here in America on the real problems faced by our people at home? This amendment responds to the met and partially unmet request by other Members of the Senate, people who have written and gotten hold of me on the floor or sent a request to our subcommittee saying, please fund this program; please put some money in Alzheimer's; please put some money in mental health research; please put money here to take care of problems people have in our cities.

Well, here is your choice. You make the choice. That is what it is, a choice, pure and simple.

This amendment also responds to unmet requests presented to us by the administration. But most importantly, it responds to the unmet health, education and social service needs of the Nation. The $3 billion added by this amendment goes only halfway to the $6 billion increase needed just to reach the 1980 inflation adjusted level for this subcommittee.

But the programs that would receive funding will go a long way toward improving the quality of life for millions of Americans, improving their health, their education, the productivity of our citizens. The amendment I am offering will increase funding for 10 specific domestic programs, proven programs which my colleagues have called critical priority programs. Let me list those.

This amendment, first, adds $400 million to the National Cancer Institute to bring the 1992 total to the full level recommended by the professional judgment budget. Cancer is an affliction that will kill 514,000 Americans this year. Nearly one in every three Americans will be told sometime in their life that they have cancer. It is a tragedy that can be reversed by more fully funding the research opportunities that are now ready for investigation.

I was here this morning when Senator STEVENS from Alaska was talking about his battle with prostate cancer and how many people are affected by it. I thought about this amendment. I thought, well, here is a choice. Here is a chance, an opportunity for us to say where we want our money spent.

The amendment adds, second, $170 million to the National Institute on Aging, to permit a doubling of what we now spend on Alzheimer's research. The distinguished Senator from Oregon spoke about that this morning. The progressive anguish of Alzheimer's disease is one of growing proportions, with devastating human and financial consequences. There are now an estimated 4 million people affected by this disease, and unless we act now, by the year 2050, according to the National Institutes of Health, the total will reach 14 million people.

Mr. President, I would direct attention to a chart I brought to the Senate floor that compares research spending at NIH with research spending at the Department of Defense. As you can see, Defense research spending requested by the President for fiscal year 1992 is 4½ times greater than that requested for the National Institutes of Health. That tells it right there. That was our priority when we came here this year. I believe our priorities are wrong when we see what has happened in the world community. This amendment starts to address that imbalance.

At the same time, this amendment adds $100 million for the Centers for Disease Control Immunization Program. This would permit the CDC to immunize over 1.6 million children with the hepatitis B vaccine; 650,000 additional children would receive the second dose of measles, mumps, and rubella vaccine; and an additional 1.8 million preschool children could be brought up to date with recommended vaccinations. This is an investment we have to make.

Mr. President, I remember when I was a young boy in a two-room country school out in the middle of nowhere in Iowa. I remember at the beginning of the school year, it must have been toward the end of the Second World War, we had to line up and the visiting health nurse from the county seat would come around and give us our shots and vaccinations. I had not ever seen a doctor in my lifetime until that point; I was not born in a hospital. I was born at home. Most of the kids I was in school with never saw doctors, never saw dentists, but we had the visiting health nurse come out and give us our shots.

Now we are not even doing that today. Millions of kids in this country are going without those basic immunizations that I got, what, 40 some years ago. That is progress?

So we have taken some of this money and put it in to immunize over 1.4 million people, 650,000 additional children with the second dose of measles, mumps, and rubella vaccines, an additional 1.8 million brought up to date with recommended vaccinations.

It will cost us a little bit of money. Think of the pain and suffering and, if you want to, the money it will save later on; $100 million, that is what we are asking.

The amendment also adds $50 million to the Centers for Disease Control to double their breast cancer screening programs. Again, this is a choice between paying a little now or paying a lot later. By paying $75 for a woman to have a mammogram now, we can help prevent illness and the need for mastectomies and chemotherapy, which will cost up to $50,000 a person later.

This program is now in 10 States. That is it—only 10. With this addition, the number of States with statewide screening will double, will go to 20. It ought to be 50. But it ought to at least be 20. And again, an ounce of prevention is worth a pound of cure. We are paying the money, make no mistake about it. We are paying the money. When a low-income woman gets breast cancer and she goes in to see the doctor and they say we have to do a mastectomy, give chemotherapy and treat her, and she is on Medicaid, we pay the bills; $50,000, $60,000, $70,000. Just like that, we pay the bills.

What I am saying is, let us get to these women at risk and give them a mammogram screening once a year to save them pain and suffering and to save us the money. And this amendment would only double screening to 20 States.

Next, the amendment adds $100 million for mental illness research. There are currently an estimated 40 million Americans affected by the devastating effects of mental illness, which has been estimated to cost our society about $40 billion a year in lost productivity. The addition of these funds should help find cures for these disabling and painful diseases, especially occurring during this, the decade of the brain. We are going to commit ourselves this decade to finding the causes and the cures for so many of the illnesses that plague our mind, mental illnesses.

The amendment also adds $900 million for the Head Start Program, bringing the 1992 total to $3.1 billion to serve an additional 360,000 children. This is still $1.2 billion short of the authorized amount for fiscal year 1992, but it will

permit a 57-percent increase in the number of children served compared to the number of children that would be served by the President's request.

This program is an investment in early intervention and in a program that has been a proven winner. This is an investment in the future of our children, something that I think will give us a much better return, for example, than just one B-2 bomber, which costs roughly the same amount. Think about this. It will permit a 57 percent increase, serve an additional 360,000 kids, provide adequate funding of Head Start to help us meet the first education goal of the Governors' of having all children ready to learn by the year 2000.

President Bush in 1988 said he wanted to fully fund Head Start. Well, Mr. President, that comes under the jurisdiction of this subcommittee. I have looked at the budgets he has sent to the subcommittee over the last 3 years for Head Start. You draw a line through them, a straight line through them and project to the future, and under the President's programs we will fully fund Head Start, are you ready for this, by the year 2050.

Think of the wasted lives, the wasted productivity of those young people. Oh, sure, we are going to come in later with catch-up ball; we will come in with remedial reading and remedial math and remedial this and remedial that; we will build more prisons, when we can stop it in the first place through adequate funding of Head Start.

Mr. President, I direct the Members' attention to this chart that illustrates the additional children that can be served by the addition of these funds to Head Start, compared to the number that would be served by the President's programs. The President's requests are about 633,000. This amendment will get us up to about 993,000 young people, still we are not even halfway there, even with this amendment. We are not even serving half of the kids ages 3, 4, and 5 that are eligible for Head Start. We wonder why we are losing out in the economic battle? We are wondering why 1,000 kids a day are dropping out of school in America; why our prisons are overcrowded; why we cannot compete in the world market? There it is right there.

There is no secret. It is not a big secret, you see. Here we are about 25 percent of the way in the President's request, getting to these young kids at risk, giving them a head start so they can develop their minds. We at least get it up to 150 percent under my amendment.

The amendment, Mr. President, I offer also adds $528 million for education programs to tip the scales in favor of the next generation of Americans. And $258 million of this total would be for chapter 1 basic grants. This would bring the total for basic grants to $5.4 billion, and the total for overall chapter 1 programs to $6.5 billion, or increases of 8.6 percent and 7.8 percent, respectively.

This amendment will help us reach another 337,000 children with these services. And $270 million of this education increase would go to the Pell Grant Program. That would increase the maximum grant by $100, to bring it up to $2,500. This still leaves a maximum award far short of the $3,100 authorized level. But this would at least bring it up to $2,500, again going to the poorest students so they can get a college education or technical training in schools.

In addition to these funds it is important to expand educational opportunity for all of our qualified students. The amendment adds another $400 million for the State Legalization Impact Assistance Grant Program, SLIAG, as it is called. This is the approximate level of additional funding reported by the GAO and the IG of the Department of Health and Human Services that is required for fiscal year 1992. SLIAG reimburses the States for the health, education, and social service costs of the immigrants legalized by the Immigration Reform and Control Act of 1986. So this amendment adds $400 million to that domestic program.

The amendment also adds $100 million for the Ryan White AIDS care programs. This will bring the total for the Ryan White AIDS programs to almost $400 million, or somewhat less than half of the fully authorized level of $875 million. The devastation brought by the AIDS epidemic is well-known to all of us. These funds will help hospitals and States provide health care to people with AIDS.

Let me tell you I have talked to mayors in some of our largest cities. They are sorely strapped with funds that they need just to take care of people who are sick and dying of AIDS in their communities. This is not just a problem for one city or another, or one State or another. This is a national problem. We need to answer in a national fashion. Again, this amendment would add another $100 million to this, bring it up to just about half of the fully authorized level.

I ask Senators to check with their mayors and others, their hospital administrators in their cities, to see if they could use another $100 million to take care of people who are dying of AIDS.

Finally, Mr. President, in the last item, this amendment adds $400 million to the Low-Income Home Energy Assistance Program. This would serve an additional 3,125,000 households in fiscal year 1992 compared to the households that would be served by the President's request.

Mr. President, I direct the attention of the Senate to a final chart that illustrates the large increase of households that can receive home energy services by adoption of this amendment. Here they are. The President's request is about 3.7 million. With this amendment it is about 67.8 million households that would be served with the Low-Income Home Energy Assistance Program. Under the President's request, under the budget, about 18 percent of the eligible households to be served; this amendment would boost that to about 33 percent.

So there they are, Mr. President. There are 10 programs that help millions live better lives, help millions have better health, help millions of young people begin to learn and develop their minds as well as their bodies, programs that help millions become more productive citizens in the United States of America.

Our national security depends on citizens that are well fed, well educated, and productive. Sure it depends on a strong defense. But you do not have a strong defense when our kids are ill-educated, when we have homeless roaming the streets, when people are dying of diseases and illnesses that could be prevented or cured.

As I said before, Mr. President, the real risks to our national security today are not halfway around the world. They are halfway down our streets.

This amendment allows us to shift priorities from military to domestic issues while maintaining a strong defense. We have won the cold war. We ought to be rightly and justly proud of it. And we ought to be rightly and justly proud of the sacrifices that the American citizenry made over the last 40 years to make sure that we won the cold war, to make sure that freedom and democracy triumphed.

And it was a sacrifice. Our taxpayers divied up year after year after year to defend Europe, to provide for the Marshall Plan, to give the backbone to NATO, as I said, almost $160 billion or more last year according to the Pentagon's own estimates. So we ought to be justly proud of what we have done and the sacrifices we have made to keep Europe free and secure as a window to the Communist world.

That is what freedom and democracy can do for people.

We have won the cold war. Let us now win the domestic war. It is time that we close the human investment gap.

I will be having more to say on this amendment, Mr. President.

Let me just close by saying once again that what this amendment does is it transfers from DOD to these 10 programs that I just outlined slightly over $3 billion, $3.15 billion.

Is it too much to ask? I ask you. I ask the American people. You make the choice. You vote for the people. You make the choice.

This would transfer 0.58 percent, 0.58 percent from DOD's budget, to invest-

ing in our human services. After what has happened in the Soviet Union and the Warsaw Pact, we cannot transfer 0.58 percent? Do not give me that nonsense. Of course we can, if we have the political will and the courage to do so. That is all it is, 0.58 percent.

It is not even out of manpower. It is not out of readiness. It was not out of the National Guard. It is out of a $38 billion fund at the Department of Defense which is totally unobligated. No contracts have been written. No one is going to get laid off. There are no jobs underway on that. No, it is just $38 billion that they can draw on to start new contracts. How did that $38 billion get there? We voted for it. I admit some of us voted for it. But some of them we voted on as assurances, long ago, 1987, when the cold war was still on, before the Berlin Wall came down, before the Soviet Union disintegrated.

Am I now to be told that because I voted for that then, because it was in the best interest of the country and the world then, that we can do something about it? Our hands are tied? That we have to go ahead and spend that money like that? Bureaucratic inertia forces us to continue to spend this kind of money this way? Nonsense. Here is the choice.

Now a point of order is going to be raised against my amendment. I understand that. Because of the budget and because of the budget agreement last year that was reached, a point of order will lie against this amendment, and I know that a point of order will be raised. I am fully aware of that. I know that it will require 60 votes in order for this amendment to prevail.

People keep asking me do I have the 60 votes. I say I do not know. But I will tell you what. I do not know that I have 60 votes here. I cannot tell you. What I can tell you is this: Having traveled around the country a lot in the last few months, I will take this amendment to any American citizen out there and ask that person, that man, and that woman who are paying their taxes, "You make the choice. You make the choice." Do you want to continue to spend it on these military items that we voted for 2, 3, 4 years ago, or do you want to put into finding a cure for Alzheimer's or cancer or help people dying of AIDS or get more money for Head Start? You make the choice.

In your heart and in your mind you know how they are going to make that choice. I believe we here today should be reflecting the will of the people out there. Go out and ask them. You will find out where they want that money spent. It is not a big amount, 0.58 percent. That is it. But a point of order will be raised and we will have to debate the point of order. I am sure all kinds of arguments will be made—an agreement was reached we cannot bust the budget. All of those arguments will be raised and we will debate them in due order.

But I just wonder if you went up to a person who had just been notified they have cancer—and one out of three of us, look around you, one out of three, in this room on this floor today, will be diagnosed as having cancer in his lifetime—and ask them "Do you think we should not put any more money into cancer research because we had a budget agreement last year," what do you think they would say? You know as well as I do what they say. I do not have to tell you you know what they say.

Yes, I recognize there is a budget agreement. The times have changed and conditions have changed. It is time for us to change too. It is time for us to start investing here at home, it is time for us to close the human investment gap in this country as we closed the missile gap in the past. It is time for us to start making these hard choices.

Mr. President, there is the amendment. Those are the 10 programs which this amendment seeks to shift money to. I am sure that this Senator and others will have more to say about it as the debate progresses.

I yield the floor.

The PRESIDING OFFICER. The Senator of Minnesota.

Mr. WELLSTONE. Mr. President, let me first thank the Senator from Iowa for his powerful words.

Mr. President, most debates about the Federal budget reflect the different visions about where we are going, different economic assumptions, different political assumptions, differences between political parties, and that is the way it should be. This is doubly true of this amendment offered by my good friend from Iowa to transfer approximately $3.1 billion in unspent Department of Defense funds to critical domestic needs.

Mr. President, I am proud to be a cosponsor. I know Chairman HARKIN's appropriations subcommittee was severely constrained by the spending caps contained in last year's budget agreement, an agreement which I think seriously hamstring our ability to govern. The problem with this budget agreement is that it is an extension of the past 10 years where we have had no far-reaching debate here in the Congress or in the country about domestic programs versus military programs. We have had no real debate about guns versus butter. The only real debate we have had is about how to divide up a stick of butter.

So, Mr. President, what happens with this budget agreement? And that is what the Senator from Iowa is trying to speak to. We are told that we can spend money for education of children, but if we spend money for education of children, there will not be money for health care. Or we are told we can spend money on the energy policy, so that we can become energy independent, but than there will not be money for the environment. Or we are told we can make a commitment to our cities—the Senator from Iowa talked about there is no rural policy in our country, but if we do, then we will have no money for the farms or the rural communities. Or we are told that we have to make a commitment to the nutritionally deprived and the medically deprived, the poorest of poor people, the underclass, but if we do, then we will have no money for the middle class. This is an outrageous choice, it is an unacceptable choice.

Mr. President, I hear it all the time when I sit in committee hearings. You have someone come in and they talk about education. I have heard Senators on the floor of the United States Senate talk about what is happening in the Soviet Union, in Eastern Europe, with great excitement. God knows, as the son of a Jewish immigrant from the Soviet Union I am so excited.

Then we talk about the wonderful opportunity in our country. I see young people up there, about 10 blocks away from here, there is not such opportunity and in Anacostia a mile away they have problems of toilets that do not work, they do not have enough books, adequate lab facilities. Those children do not have the same opportunity.

Yet we are told with this budget agreement that if we are to make a commitment to those younger people, then what about another group of younger people who came into our Subcommittee on Education and they said, Senator, or Senators, Democrats, or Republicans, we sell plasma at the beginning of the semester in order to buy textbooks. We worked three and two minimum-wage jobs because we cannot afford higher education. Teachers tell us that they cannot teach those students because they have to work those minimum wage jobs, and so is the tradeoff. That we support the children in elementary school but therefore we cannot support young people seeking higher education or vice versa. It is a totally unacceptable choice. It is simply unacceptable. We cannot continue to move in this direction.

Kurt Holman appeared before our committee from the State of Minnesota. It was an absolutely riveting testimony he laid bare. He wants to work, but the problem is his son, Lee, has leukemia. He had a job as a car salesman. He would like to go back to work but because of prior condition he can-not receive any health insurance and so his only choice is not to work so that he can be on Medicaid so his son can receive some medical assistance to take care of the leukemia.

Are we going to make the commitment to Kurt Holman and his family and people who are faced with that kind of health care crisis? Well, if we

do by the terms of this budget agreement, then we would not be able to speak to people who talk to me from Minnesota and I would imagine this would be the case in many other cold weather States as well who say, Senator, we are requesting to do it this winter with these severe cuts in low-income energy assistance, we do not want our children to be cold.

So is this the choice? It can be this choice. And today, and I thank the Senator from Iowa, we confront this head-on dilemma and the question is we focus on these and we talk about transferring just a little bit, $3 billion from this huge military budget and we begin to focus on how we can rebuild out own country. Real strength begins at home.

Mr. President, I also support this amendment because I was not a party to this much-heralded budget agreement, and I do not support the askewed budget priorities encompassed in that agreement.

I think it has locked us into 3 years of unnecessary military expenditure. We want a strong defense, but we also understand that part of what will be real national security is to be strong at home.

The Senator from Iowa talked about this argument that an agreement is an agreement. I have to tell you, Mr. President, I spent 13 days at the Minnesota State Fair. Half of our State's population comes to that State fair. And this argument that we cannot transfer just $3 billion to important domestic needs, we have elevated this as an end unto itself. It is a Washington abstraction.

When people came up to me at the State fair, they said, "Senator, we are out of work. How can we find a job?" "Senator, how can we afford to send our children to college?" "Senator, we can't afford the health care bills." "Senator, we can't afford child care." "Senator, how can we keep our small business going?" "Senator, how can we keep our family farm going?" "Senator, how can we support our public education system?" "Senator, how can we stop libraries from being closed?" "Senator, we are local officials and we do not have the resources to work with."

I say to Senator HARKIN, I never heard one individual at the Minnesota State Fair—and I feel like I saw half the population, and that is 2 million people or thereabouts—say to me, "Senator, an agreement is an agreement. Do not transfer even $3 billion in the military budget to critical domestic needs." I did not hear anybody talking to me about that at the Minnesota State Fair. I think this whole idea has just become a Washington abstraction.

Moreover, Mr. President, in the wake of the massive changes that have taken place in the Soviet Union, given what has happened in the Soviet Union and Eastern Europe, do we really want to continue to spend huge amounts of money preparing for a war against Czechoslovakia, against Poland; do we really want to spend all that money?

Yes, we have to have a strong defense. Yes, we have to continue to spend money on defense. But, no, it is not the same cold war. Times have changed and we have to stop spending huge amounts of money fighting battles of the past and instead begin to invest in the future, and that means in our own country. Real strength begins at home—in job training, in health care, in energy, in children, and public infrastructure.

Mr. President, all across our country the libraries are closing; State and local governments are in absolute fiscal crisis; children are denied school lunches for lack of funding; roads and bridges are crumbling; and 20 percent of the children of the United States of America are poor. So it seems to me that we have to understand that public investment leads to a stronger economy.

We cannot make it economically unless we invest in human capital, and that means investing in people. We cannot make it economically unless we invest in public infrastructure. And we cannot make it economically unless we have successful capital investment strategies so we can do well in our own business sector. That is where the real strength of this country is going to be. That is how economic greatness is going to be measured.

The Senator from Iowa has suggested that we take but a small step in that direction; $3.1 billion in important discretionary programs that are underfunded in the bill.

I will not give you the statistics. The Senator from Iowa has already itemized that. Money for cancer research, money for Alzheimer's disease, statewide breast cancer screening, the Pell grant program, chapter 1 program, childhood immunizations.

Mr. President, I want to call attention to one program in particular. This transfer amendment adds $400 million for low income energy assistance. This is a program that in 1985 was funded to the tune of $2.1 billion and now it is down to approximately $1.6 billion, and of the 18 million people that are eligible only 6 million people, one-third of the people eligible, are receiving the assistance.

Mr. President, I want to say to the Senator from Iowa and, I guess, more importantly, I would like to say to the people in this country, I am not an expert on all the intricacies of the budget, but I understand very well the broad outline of it. I think I know what these statistics mean in human terms. And what we have seen since the early 1980's was a slashing of the revenue base in what was euphemistically called the Economic Recovery Act and a doubling of money spent on the military budget. As a result, it indeed was voodoo economics and we have seen spiraling debt to the tune of a $348 billion deficit this year.

So I would argue, Mr. President, that it is time to revisit this budget. When you travel around the State of Minnesota or you travel around this country and you talk to people and they come up to you and they tell you what they care about, they tell you what they are worried about, they tell you what they hope for, it is very difficult to look them straight in the eye and say, "There is nothing we can do. There is absolutely nothing we can do."

Well, the amendment of the Senator from Iowa at least is a small step in the direction of beginning to invest in our own people and in beginning to invest in our own country.

Mr. President, as the world around us is remade, it is now time to think about how we can remake our own Nation. It is now time to think about how we can invest in our own people. It is now time to think how we can invest in our own communities and it is now time to think how we can invest in our own country. This amendment, this transfer amendment, introduced by the Senator from Iowa, is a small but very significant step in that direction.

Mr. President, I yield back my time.

The PRESIDING OFFICER. Who seeks recognition?

Mr. SASSER. Mr. President, are there other Senators wishing to speak in support of the amendment of the Senator from Iowa?

The PRESIDING OFFICER. The Chair notes that no proponent sought recognition.

The Senator from Iowa.

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

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. FOWLER). Without objection, it is so ordered.

Mr. SASSER. Mr. President, I might say at the outset that I have a great deal of sympathy with the spirit of the amendment offered by the Senator from Iowa. The amendment of the Senator is based on the premise that we are spending too much to defend ourselves against a rapidly diminishing threat. In my view, the distinguished Senator from Iowa is viewing this Nation's long-term circumstances with considerable clarity, and I commend him for that. The budget agreement we negotiated last year responded very tentatively to the world of 1990. But what has become even far more obvi-

ous, as the world of 1991 spins light years beyond where we were just 12 months ago, is that certain parts of the budget agreement do appear to be obsolete or obsolescent. There is no question in my mind that we need to reconsider the disposition of fiscal resources upon which we decided last year, especially with respect to the division between defense and domestic discretionary spending.

I see the distinguished chairman of the full Appropriations Committee on the floor. He has made a number of very eloquent and very educational addresses to this body in which he has indicated the diminished seat at the table that domestic discretionary spending has had over the past decade. Indeed, we are paying the price for that all across the domestic front.

But I do think we need to make reasoned judgments about how the defense budget can be reduced, based on the declining threat to our national security and based on the fiscal situation we have had to live with for over a decade.

Unfortunately, the amendment offered by the distinguished chairman of the subcommittee, in my view, does neither. It simply, and on an ad hoc basis, shifts from defense to domestic spending. In so doing it violates the summit agreement which has maintained fiscal discipline for both the executive and legislative branches this year. Moreover, it would breach this subcommittee's allocation of domestic spending and would, therefore, I think, jeopardize the orderliness of the appropriations process. If we can breach the budget summit agreement for this particular appropriations bill, the appropriations bill for labor and health and human services and education, then clearly we can breach the budget summit agreement for a whole host of appropriations bills which will soon follow. If we can breach it for this purpose, why not breach it when the transportation appropriations bill comes to the floor? Senators will want to build more roads, they will want to do more for the airports, they will want to do more for the bridges. They will want to do more for a whole host of programs that are worthy and are financed by the transportation bill.

Mr. President, this amendment is sound in intention. It is sound in its long-term vision. But the problem is it violates the budget discipline. It violates the budget agreement. And it is a short-term ticket for fiscal chaos in this body.

I respect the goals of the distinguished chairman of the Labor and Health and Human Services Subcommittee. He has crafted, I think, a fine bill within the extraordinarily rigid boundaries he has had to work in, as have all the other appropriations subcommittee chairpersons. And no one would quarrel, least of all this Senator, with efforts to raise funding for biomedical research. I have long supported that program and will continue to do so in the future. Or who would quarrel with raising funds for breast cancer screening? Certainly not this Senator. Who would quarrel with putting more funds into mental illness, or Pell grants, as this country falls further and further behind in education? Or who in the world would argue with putting more funding into the Head Start Program? If there has been a program that has proven to be cost effective and cost efficient, and one that is in the long-term best interests of this country, certainly it is the Head Start Program.

But we simply must adhere to the budget discipline that we agreed to last year. We have to enforce the budget agreement that we put into law last year by a majority vote of this body, majority vote of the House of Representatives and signed into law by the President. It was a solemn agreement between the legislative branch and executive branch. We represented to the American people that we would adhere to this agreement.

Certainly it did not have everything in it I wanted to have. Quite frankly, if I were free to vote the way I wanted to vote today I would vote in support of the amendment of the distinguished Senator from Iowa. I happen to agree with his view that we ought to be putting more money into these programs and certainly less money in defense, considering the changed world that we find ourselves in now. But I urge we move cautiously, that we move with prudence to adhere to our summit agreement and not at this point violate it. This amendment offered by my friend from Iowa violates section 601(b) of the Budget Enforcement Act, which prohibits consideration of bills exceeding the appropriations caps. At the appropriate time I will raise a point of order against the amendment and I will urge my colleagues to sustain it.

I see other Senators on the floor who might wish to speak on this matter, so I will reserve raising the point of order until a later date.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I see the distinguished chairman of the Appropriations Committee on the floor. I might ask, does he desire to speak before the Senator from New Mexico?

Mr. BYRD. Mr. President, may I say to my friend I desire to speak but not necessarily before the distinguished Senator from New Mexico. I am very happy to wait, and I am very interested in hearing what he has to say. I do want to compliment the Senator from Tennessee, the chairman of the Budget Committee, for his preeminently fine and sound statement, and I am glad that he is going to make a point of order, which I will support, and I will vote against any motion to waive the point of order.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I, too, want to compliment the distinguished chairman of the Budget Committee. If he, in making the point of order, thinks it is helpful that it be made by both the chairman and the ranking member, I am very desirous of being, if there is such, the coproponent of a point of order.

In any event, I do not want to leave any doubts. I do not believe the U.S. Senate can afford to do anything else. If we do not sustain the point of order, and it is clear this amendment violates the Budget Act and the budget agreement in two very substantive and fundamental ways, if we do not sustain it now, two things will happen. The most significant is that we will abolish, abandon, get rid of, throw out the window, a 5-year budget agreement that was entered into by the President of the United States and the Congress, Democrats and Republicans. We will decide because one Senator comes here to the floor with a list of goodies that everybody likes, that we throw out a 5-year agreement and say it is a nullity because somebody held up here for us today something that sounds very good, looks very good, that is almost put in as if it went around the Senate and said where can we get 5 helpers, where can we get 10, where can we get 15? And so we add them up with this list of things that most Members of the U.S. Senate would quickly support but for one thing: We have a deficit that is hanging over the shoulders, the head, the bodies of the American people, the economic prosperity, the likes of which hardly one single Senator, hardly one single Senator has not gone out to his people and claimed we have to fix.

How are we going to fix it when we made an agreement that if we do not spend the money on defense, and I hope everyone listens to this, if we do not spend the money on defense that we have agreed to, then it will go to reducing the deficit. That is the agreement. It is clear and unequivocal. We do not have to spend what we agreed would be a defense number if we do not want to and if there are those who do not want to. Take that money we do not spend and what do we do? We put it on the deficit. If we do not want to spend everything on foreign aid that is agreed to in these 5 years, all we have to do is not spend it. And what happens? We put it on the deficit unless 60 U.S. Senators decide that they want to change the allocations. That is why the point of order lies.

Mr. President, no one should think that we are going to fix the fiscal policy of this Nation without some of the budgets and some of the appropriations being tight. But let me suggest that if you think that this amendment, this

bill that is before us did not have increases in it, let me suggest that it has $4.4 billion in new spending over last year without the new money, without the amendment that the distinguished chairman and Senator HARKIN offers that violates the budget agreement. Without that, there is $4.4 billion increase over last year.

So the agreement and the appropriators who decide where to put the money have understood that this is a function of Government that has to have increases in it. I have not been able to look at each program to which he would add money to see if it went up year over year, but I suspect they probably have. The Senator would just like to have them go up more.

I am certain education went up. He would just like them to go up more.

Mr. President, this particular amendment is a deal breaker. Whatever words one wants to invent to say that there will not be any fiscal policy restraints left if this amendment is agreed to, that is the word we should attach to it. If we do not want any, if we want amendments on every appropriations bill even though we set the targets, if we want amendments saying take it out of another part of Government and put it in this part and make the Senators stand up and vote whether they want more money, even if we are violating the budget agreement, then vote for this amendment. We are going to be confronted regularly with that problem.

Let me make one other remark. Procedurewise, processwise, we have an Appropriations Committee. It is a very large committee. They sit down and one of the most difficult jobs they have to do is to take the entire amount of money that can be spent for domestic appropriated programs, domestic discretionary programs, look at all of the subcommittees, including this one that is represented by this bill, and they allocate that entire, total amount of money into the pieces. Then they submit that to the Senate of the United States, and then each subcommittee goes to work.

What is going to happen if we do it this way, if we do anything other than defeat this amendment, not on its merits, but on procedure? Then what we are going to do is say that activity on the part of the Appropriations Committee setting the allocations is a nullity because we can go back after it is all finished and on the floor of the Senate, take from another area such as is being done here, take from last year's appropriations of defense money. Frankly, it does not really matter that the Senator, the chairman of this subcommittee says these are unappropriated accounts. They are unappropriated or unallocated accounts because they are waiting to be allocated. There are programs and plans within the defense establishment, just like those that are within HUD, that are waiting around for the unallocated balances to be spent on the programs they need.

Mr. President, I want to talk about one of the programs in the Harkin amendment. I think it is rather common knowledge that the Senator from New Mexico is concerned about mental illness research, within the National Institute of Mental Health. The Senator clearly asked that more money be put into mental illness and the National Institute of Mental Health in this amendment.

As a matter of fact, many of the National Alliance for the Mentally Ill around the country have received word that we ought to support the Harkin amendment. But then they said if you do not support it, there is a Domenici amendment.

I want to say we will increase the mental illness a little bit and it will be agreed to because the distinguished chairman wants to do it, but we have also provided a way to pay for it, so it will be paid for within available money out of the allocation. I want to print in the RECORD for those who are interested in the Harkin amendment the increases that are already in the bill for each program.

What I am saying is, if you do not adopt the Harkin amendment, what has happened to breast cancer, to biomedical research? It is already increased $683 million.

So let us put it this way: If you vote for the final passage of the bill, you can take credit for voting for a $683 million increase in biomedical research. If you are concerned about chapter 1 compensatory education for the disadvantaged you are voting for a $209 million increase. The amendment before us just wants to increase that some more and take it out of last year's defense money, but it is already up $209 million.

If you want to vote on Pell grants and tell your constituents you have, the bill before us has a $458 million increase in Pell grants already. The amendment would just add more, not take it from a negative, but add to an already $458 million increase.

Other than SLIAG and LIHEAP, which are down 10 and down 17, respectively, all the others are increases already contained in the bill that is before us.

I ask unanimous consent that this makeshift table which I put together showing the programs about which I have spoken be printed in the RECORD in case anybody wants to know what increases are already included in the underlying bill.

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

HARKIN AMENDMENT

[In millions of dollars]

Program	Budget authority	Outlays	BA increases in bill
Biomedical research	570	239	+683
Breast cancer research	50	27	+50
Mental illness	100	40	+36
Chapter 1 education	258	31	+209
Pell grants	270	58	+458
Ryan White AIDS care	100	58	+68
Immunizations	100	53	+60
Head Start	900	441	+250
LIHEAP	400	360	−10
SLIAG	400	304	−17
Total	3,148	1,611	

Mr. DOMENICI. I thank the Chair. Mr. President, let me close by saying I am quite convinced that there are a number of U.S. Senators who are wondering about a changed world and what will that do to our appropriations process. This Senator is not going to stand here and say that over the next 2 or 3 years, because of that changed international world, there will never be any changes in this 5-year budget agreement. There probably will. But, Mr. President, we are now upon the end of the fiscal year. October 1 is the new year. It seems to me two things: First, this is not the time to change the agreement with reference to defense, foreign aid or domestic programs. This is not the time.

But I am more convinced that this is not the way; to wait until a bill comes along like this one, one that has a $4.4 billion increase over last year and which conforms to the 5-year agreement, and because it has a lot of programs that are enticing, while other bills have come forth within the agreement with a lot of things that were reduced and kept from growing, and now we are going to go ahead and take additional moneys out of defense so it does not sound so bad and essentially say the agreement is null and void. In this

Senator's opinion this is absolutely the wrong thing to do. I urge not only that you not do it, but I urge that you send a signal not only to the proponent of this amendment but to others who might want to do this in the next 15 days, 20 days, that the Senate is not going to willy-nilly destroy this agreement. It deserves better.

Frankly, it is not the right way to allocate resources in any event. You should not allocate them on this bill because there are some exciting programs. You should allocate them in a more orderly manner, at least at the beginning of the year and not 20-some days before the end of the year and the start of a new one when a bill happens to come along.

I yield the floor.

Mr. HARKIN. Will the Senator engage in a colloquy?

Mr. DOMENICI. Sure.

Mr. HARKIN. I would appreciate it.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I listened intently to the remarks made by my friend from New Mexico, certainly a distinguished Senator. I do not question his motives or anything. I know he always has the best interests of the country at heart. Certainly he has been one of the leaders in bringing this Senator along on necessary funding for mental health research, and I appreciate that very much. I know he has been a stalwart leader in the budget process in this body.

I just could not help but pick up a couple of things the Senator mentioned in his remarks, first of all, in terms of the increases in this subcommittee over last year, the $4.4 billion. That is true. However, most of that went to restore $3.8 billion in cuts. As I said in my remarks earlier, this subcommittee basically had $87 million less than a hard freeze last year in our total allocations.

Now, the Senator from New Mexico talked about if we do this, we will be confronted regularly with this problem, that this may come up again on some other bill. Well, the last time I checked, I remind the Senator from New Mexico, the people of Iowa elected this Senator to make choices. They did not elect a computer. They elected this Senator to debate the issues and to vote on them, and hopefully the people of Iowa elected this Senator to take into account changed circumstances, changed threats to our national security, whether from without or within.

Yes, I know the agreement was reached last year, but does the Senator not believe that we can trust Senators to exercise their judgment on matters like this; that if they want to transfer, as this amendment does, 0.58 percent from DOD to these programs, does the Senator not feel Senators ought to be allowed to vote that way if they want? I mean some may win, some may lose. As to why shouldn't Senators be allowed to express themselves, I would ask the Senator from New Mexico?

The PRESIDING OFFICER. Does the Senator from New Mexico wish to respond?

Mr. DOMENICI. Certainly, I do. I think they do, and I think that is precisely why the Budget Act and the budget agreement is encapsulated in law as it is. It is my opinion that they will vote, but they will vote on a point of order. They will vote on whether we are going to break the agreement. That is the vote. That is the point I want to make. I am not asking Senators to vote against individual items. Quite to the contrary. I do not think they ought to, and I do not want to be part of making Senators vote against that because they are not in order.

Mr. HARKIN. But if I might respond to the Senator, the only way for Senators to get to this kind of a vote is to vote to waive the relevant section of the Budget Act. There is no other pathway, and I certainly would not want to go beyond the bounds of law to do so. But it is the only way that Senators can express themselves and vote on this.

The Senator from New Mexico, if we check the record, said my amendment should be defeated not on the merits but on the procedures. Well, this Senator finds that an interesting argument. I believe in upholding the procedures and rules of the Senate, but there are in the Budget Act itself provisions that allow for waiver of the Budget Act. I am sure the Senator would agree with that, that the Budget Act itself encompasses within it a procedure whereby it can be waived to meet certain exigencies.

All this Senator is saying is let us at this point in time make a choice. Should we waive the Budget Act because of the changed circumstances that happened over the last few weeks, several months, to address pressing needs here at home rather than to continue to expend these moneys in DOD?

Again, I would say to the Senator, the Senator said that the Pentagon is waiting to spend these moneys. Well, that is true, but again the account that this amendment seeks to draw from is unobligated expenditures. I would say to the Senator that no contracts have been written, no people will be laid off. This is simply money that has been authorized by the Congress in the past but no contracts have been let.

I would again ask the Senator whether he believes that if we voted 3 years ago to spend money on a certain weapons system that no longer was relevant to the threats that faced us, would he have us go ahead and just spend that money anyway? Should we just go right ahead and spend it, I would ask the Senator?

Mr. DOMENICI. Let me try to respond, Mr. President. I have no idea what programs are going to be terminated, or accounts reduced, because the amendment does not provide this information for the Senate. All I can say to the Senate is that the amendment talks about appropriated money that is not yet obligated. I would merely ask if we do not know what we are talking about in terms of which accounts are affected. It is not fair to say that the amendment affects no one, or that what is affected is not needed. The Senator from New Mexico does not know that. It may mean that there is a contract which has not yet been let but they are counting on it; the money is waiting. That is what unobligated means. I have no idea what $7.6 billion in that kind of account within defense even means. So I cannot answer the question who gets hurt.

I would assume plenty of things do not happen that were planned and that everyone expects to happen. I cannot tell you what they are, so I cannot tell you whether we should or should not do them. But I can tell you that the two committees of defense in these two Houses authorized them or they would not be appropriated. Two committees appropriated them, and the Defense Department is administering that appropriation and has not got around to spending some yet. If you want to make sure you really get things and you vote on things, talk about personnel or operation and maintenance. Then you can tell what you are cutting. This way you have no idea.

Mr. HARKIN. Mr. President, I respond to the Senator by saying that that is precisely the intent of this amendment. We did not take it out of manpower, personnel, readiness or anything else. The Senator again I think makes the point very clearly. We have about $39 billion in moneys at DOD that obviously, yes, we authorized and I will bet this Senator even voted for.

But things have changed. And because of bureaucratic inertia we ought to go ahead and spend it anyway? I think not.

Again, I would say if we went out to Americans all over this country and said "Should we go ahead and spend this anyway, even though we decided to spend it 2 years ago—forget the Berlin Wall, that the Warsaw Pact is gone, that the Soviet Union has disintegrated—should we go ahead?" Do you think they would say yes?

Common sense, common sense is all I am asking for here, just plain, old-fashioned common sense. We cannot break a deal. The Senator said this is a deal breaker. This Senator is not breaking a deal. The deal was broken by a man by the name of Boris Yeltsin. He broke the deal when he climbed on that tank, when he ended the coup, when once and for all he threw on the trash heap of history, communism, broke that Soviet Empire up. He broke the deal, not this Senator.

And yet we are being told that we have to continue to plod down that road because a deal was made. Yes, this vote is going to be on a motion to waive. The Senator says do not defeat it on the merits but on the procedures. I find that a heck of a thing to tell the American people, that we cannot make a decision here because of procedures, even though on the merits it is fine.

We cannot get to the merits because of procedure? If you can explain that to the American people, more power to you. It just does not seem to make common sense to this Senator.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia, the President pro tempore.

Mr. BYRD. Mr. President, I compliment the Senator from Iowa for his motives, for the objectives which he seeks to reach, and for the issues that have been raised by his amendment. I think it is fine that we have this debate at this time. I certainly find no fault with the goals which the distinguished Senator from Iowa has in mind.

I support those same goals. I support those same programs. There is no greater supporter in this body of programs to educate our young people. I started out in a two-room schoolhouse, and I had good teachers. I went to law school here in the District of Columbia for 10 years to get a law degree. I never expected to practice law, but I merely wanted to make myself a better Senator, a better Congressman, a better Representative, a better man, a more able individual.

I spent 10 years doing that. Nobody made me do it. Nobody asked me to do it. I was not forced to do it to keep my seat in the House or in the Senate.

I still am trying to educate myself. Nobody tells me that I have to read "The Decline and Fall of the Roman Empire" by Gibbon, or the history of Rome, or the history of Persia, or the history of the Punic wars, or the history of the Peloponnessian wars. Nobody tells me that I have to read books on Napoleon, or Alexander the Great, or Hannibal. Nobody tells me that I have to read Polybius' histories, or the histories of Livy, or the annals of Tacitus. But I do so because I want to improve myself. I want to further educate myself. I want to continue to educate myself. Nobody drives me to do that. The drive comes from within.

So I appreciate the need for educating our young people, making better students out of them. The very first thing I would suggest that be done to make better students out of our young people would be to throw the television sets out, throw them out; encourage our young people to read good books, and not many good books, I would venture to say, have been written within the last 50 years. I cannot say that authoritatively, because I do not spend much time reading books that have been written within the last 50 years. But I would suggest that our young people read "A Tale of Two Cities" or "Two Years Before the Mast," or "Robinson Crusoe," for example.

Not everything can be healed or corrected or rectified with money, but certainly we need to spend more money on education. We need to employ better teachers. We need to provide the incentives to teachers to stay on the job, to stay in the profession, and to prepare themselves so they can be good teachers. I am not a teacher. But I have an idea that we spend a great deal of time training teachers how to teach, and not training them enough on what to teach. So much for all of that, Mr. President.

I commend the Senator from Iowa. He is striving to do what he sees to be best in the interest of our country. I find no fault with him for that. He has spoken about the investment gap, and trying to do something about the investment gap. I commend him for that.

Mr. President, the Senator who is presiding over the Senate at the moment, the Senator from Georgia [Mr. FOWLER], the Senator to my right here, Mr. DOMENICI, who has just finished speaking, the chairman of the Budget Committee, Mr. SASSER, who spoke earlier—all of us were at the summit. We were there. I did not enjoy it. I spent a good many weekends, some Saturdays, some Sundays; long hours. I did not enjoy it. But I had to do it. Somebody had to do it. So I tried to do my part.

I spoke about the investment gap at the summit. I made the fight there and every Senator whose name I have called here will attest to that fact. They made the fight, too. They stood with me. But they know that I made that fight. I said to my colleagues and to the representatives of the President who were there, we are not only talking about balancing budgets but let us take off our green eyeshades and understand that we are writing a 5-year plan for the Nation, and we have an investment deficit. We not only have a Federal deficit—and that is what brought us to the summit—but we have an investment deficit, a deficit in our infrastructure, in our physical infrastructure, roads, bridges, mass transit, airports, waterways, and a deficit in our human infrastructure, education, health services, and so on. I made that fight there where it was most difficult to wage that fight and to hope to win.

So I say to my friend from Iowa, join the club. I have walked those footsteps ahead of him. I walked in that valley at the summit. I am no Johnny-comelately to this argument about the investment deficit, the investment gap. I stood up for it at the summit. What we were able to get to help fill that investment gap, I will take some credit for having waged the battle in the heat of the day.

I had a broken sword, but I waged that battle. The broken sword being, we did not have enough money to go around to do all of these things that we would like to do. And the other part of the broken sword was that I could not have it all my way. We had the House to deal with, we had the administration to deal with. But we finally reached an agreement.

I know there are those who say, well, the agreement is no good. Many who did not go to the summit may think that. They may say that. They poohpooh the agreement. They criticize the agreement. It is easy to criticize, but not so easy to be constructive, not so easy to put things together. It is easy to break the eggs; it is easy to make a swipe at the shelf and knock over the vases, the glasses, and the cups, and hear them as they shatter on the floor, but not so easy to put the pieces together.

Well, Mr. President, I take no back seat to anybody. I do not like the agreement. I did not get everything we wanted. I did not get everything we need. I would like to vote for more money for these programs that the Senator has outlined here and very appropriately called our attention to. I would like to vote for his amendment, but I am constrained because we have an agreement. And why do we have to have an agreement? Because we are in one heck of a fix in this country. We talk about giving to other countries, giving aid to this country, that country, another country. We need first to aid our own country. We need first to aid our own people. We need first to spend money on our own programs, our own infrastructure, our own roads and bridges, our own young people, our own schools, our own health service, and on our own houses. Charity begins at home, but we are looking everywhere else first to put our charitable dollar.

I am not against helping other countries. But the American people are going to rise up and ask: "When do we get help? When are we going to do something about our schools, our highways, our bridges, our houses? When are we going to do something about them? Yet, you expect me as a taxpayer to continue to bleed and bleed and bleed until I become anemic in order that you might have this program for that part of the world, or that program for another part of the world. When do we count?" the American people will ask.

So, Mr. President, I cannot find fault with the Senator for trying to get additional money for these programs. But why did we go to a summit? Why did we have to reach an agreement? Memories are short. It is quite easy to forget, in this mad rush of life. Every day brings new problems.

Let us review why we went to the summit. We were faced with an immediate sequester, and the sequestration calculations for 1991 amounted to $85.4 billion. We were faced with a sequester, half of it out of defense, half of it out of domestic discretionary programs—$42.7 billion was required out of outlay reductions in defense programs; $42.7 billion was required out of outlay reductions in nondefense programs. These requirements would have amounted, as a uniform reduction percentage, to 35.3 percent across the board in defense. We were faced with a uniform reduction percentage of 32.4 percent across the board—across the board—in nondefense programs. That meant education; that meant health services; that meant highways, bridges—across the board. We could not be selective; we were going to have to have this money sequestered, and it was coming across the board. That is what was facing this Senator, and that is what was facing the Senator from New Mexico, the Senator from Tennessee, the majority leader, and the minority leader, and the leadership on the other side of the Hill, the Speaker, the chairman of the Appropriations Committee in the House, the chairman of the Ways and Means Committee in the House, and the ranking members. That is what faced us. We were forced to go by virtue of necessity brought about by the circumstances that confronted us at that time. I did not want to go. The Senator from Oregon did not want to go, but he was there as the ranking member of the Appropriations Committee. We had to reach an agreement in order to avoid that G-R-H sequester, which would have cut to the bone and to the marrow of the bone the very programs that the Senator from Iowa is standing up here fighting for today. So if anybody wants to know why we entered into this agreement, why we went to the summit, there it is for all time and for all future generations to see in the RECORD.

As I say, I am not happy with the agreement, but the alternative was worse. I do not want to see the agreement broken. There will come a time when, perhaps not too far away, certainly after next year, there will have to be another look-see at the situation.

But this amendment is a direct assault on the budget summit agreement. It waives the Budget Enforcement Act and rescinds $7.6 billion in DOD appropriations, increases the discretionary spending limits under section 251 of the Budget Enforcement Act by $3.15 billion in budget authority for fiscal year 1992, and increases the outlay limits for discretionary spending by $1.6 billion for fiscal year 1992, $1.5 billion for fiscal year 1993.

In doing this, the amendment would destroy the budget summit agreement. That agreement, which is now the Budget Enforcement Act, sets three caps on discretionary spending for each of fiscal years 1991, 1992, and 1993: One cap on defense; one cap on international; one cap on domestic discretionary budget authority and outlays.

These caps are ceilings; they are not floors. This means that there is no requirement that discretionary spending for any category must be funded at the full level of the cap. As the distinguished Senator from New Mexico has said, if Senators want to cut defense, all they need to do is offer an amendment and have a majority of Senators vote for it, and that money will be applied to the deficit.

But cuts from defense cannot be used to increase domestic discretionary spending above the caps set forth in the act, and cuts in domestic spending cannot be used to fund defense or international operations above their caps. The separate caps apply for, as I say, fiscal years 1991, 1992, and 1993.

These caps were negotiated with the administration during the many months of last year's summit. Compromises were made on both sides. When we went into the conference, the administration was seeking a $40 billion reduction in domestic discretionary spending—I think it was $39 billion, to be exact—below the June 1990 baseline for fiscal year 1991 through fiscal year 1993. I made the case, as strongly as I knew how, for an increase of $80 billion above the June 1990 baseline for discretionary spending. In the end, the administration agreed to $40 billion above the baseline. In other words, the administration went from $39 billion below the baseline, or below inflation, to $39 billion or $40 billion above the baseline for domestic discretionary spending.

I point out that the negotiated defense caps required cuts for defense totaling $108 billion in budget authority below the June 1990 baseline for fiscal years 1991, 1992, and 1993.

If defense spending exceeds its cap, under this agreement, any resulting sequester will be applied only against defense. Before the agreement, it would have been applied half against defense, half against domestic discretionary spending.

(Mr. BRYAN assumed the chair.)

Mr. BYRD. If international spending exceeds its cap, under this agreement, a sequester will be applied only against international spending, not against domestic discretionary programs. That is the way it is now. Before this agreement, if a Senator offered an amendment, let us say, to appropriate $3 billion to Israel or to Turkey or any other country, I have no doubt that Senators would have run the risk of breaking their necks running for the doors before they would vote against that appropriation. It would be just as if the house was on fire. Let me get out of here, do not talk to me about voting against that money. Get out of my way.

I saw it happen last year. I got one vote. All the other Members of the Senate voted otherwise. I do not find fault with them for that. Some of them probably did not know exactly what they were voting on when they rushed in here, because they were caught at the doors by a lobbyist, so they came in here and voted to provide $700 million from United States defense stocks for Israel.

Mr. President, before this agreement, if that were done, whether it be $1 billion or $2 billion or $3 billion, or whatever, it would have come out of domestic discretionary. But now, under this agreement, if Senators want to vote $1 billion for another country, or $2 billion, and it causes a sequester, it comes out of foreign operations, it does not come out of nondefense discretionary.

So point No. 1, we save domestic discretionary. We save the very programs that the Senator from Iowa is talking about, save them from being sequestered.

There are other very important improvements contained in the Budget Enforcement Act which protect domestic discretionary spending. This is why we should not break this agreement. I am laying this in the RECORD now, because Senators are going to be put on the spot—and that is all right; I have been put on the spot now for 45 years in politics and I am used to it. I do not mind being put on the spot. But Senators are going to have to explain their votes. "Why did you vote against the amendment?" they will be asked. "Why did you vote for the point of order against Mr. HARKIN's amendment?"

So, it puts us in a rather difficult position. We have to explain why we voted the other way. It may make it appear as though I am against more money for cancer research. It may appear that I am against more money for programs that deal with mental illness. It may appear that I am against more money for Pell grants. It may make it appear that I am against more money for Head Start. So, let us put the explanation into the RECORD.

Discretionary spending under the budget agreement will be held harmless from mistakes in economic and technical estimates. For example, since the submission of the President's fiscal year 1992 budget request in February, OMB technical reestimates and changed economic assumptions account for a $19.5 billion drop in estimated revenues. Technical reestimates account for $40.2 billion in increased spending, of which $29.9 billion are attributable to estimated outlays for the deposit insurance accounts. Unlike previous years, because we now have this agreement, across-the-board reductions in discretionary appropriations will not occur because of technical reestimates such as those I have just cited or because of faulty forecasts

dealing with unemployment, revenue, interest rates, and so forth.

Heretofore, may I say to my good friend from Iowa, there were those errors, there were those mistakes, there were those technical mistakes, there were those economic misestimates, and out of whose hide did they come? They came out of domestic discretionary, out of the very programs that the able Senator is fighting for here today.

So let us not callously say, the heck with the agreement. Let us be careful what we say, because we are talking about an agreement that protects the very programs that the Senator has in mind.

So this is a vital improvement to past law, under which discretionary appropriations for such activities as law enforcement, education, water projects, research and development, highways, transit, VA, medical care, these and others were required to suffer across-the-board cuts if the Gramm-Rudman-Hollings deficit target was missed because of faulty economic and technical estimates.

What we are about to do here is vote for an amendment that tears down the fence that protects these programs. We do not have all the money we need for them. We never will have, but we do want to protect them against faulty estimates. The budget agreement gives that protection to domestic discretionary incentives.

Second, the Budget Enforcement Act places the burden of meeting deficit reductions upon the committees of jurisdiction. This means that if entitlement spending, for example, exceeds its caps, the responsibility lies with the committees with jurisdiction over entitlements to either cut entitlements or to raise revenues sufficient to bring entitlement spending back into compliance. Otherwise, a sequester will occur against entitlements. Prior to the budget agreement, however, domestic discretionary spending was sequestered if entitlements caused the GRH deficit to be exceeded. If there was legislation that resulted in an increase in entitlements and the deficit target was exceeded it came out of the discretionary appropriations hide, not just for that year, but for all the years to come.

Third, the Budget Enforcement Act contains a mechanism for both the President and Congress to provide funding for unforeseen emergencies, without having to offset the costs of such disasters from discretionary spending levels. Under prior law, an unforeseen emergency could only be accommodated by waiving the Budget Act or by altering the GRH deficit. Otherwise, a sequester of discretionary spending was required.

In the absence of the budget summit agreement, emergency funding for unemployment administrative costs, for Desert Shield and Desert Storm, would have caused the Appropriations Committee to exceed its domestic discretionary, defense, and international allocations and would, therefore, have required offsets or an adjustment to the GRH deficit. Otherwise, sequesters would have occurred against discretionary spending.

There will be differences between the administration and Congress as to what should constitute emergencies. So we will have to address those issues on a case-by-case basis. Heretofore, if there was an emergency by virtue of an earthquake or a tornado or hurricane or cyclone, we had to take care of the emergency. But if the Gramm-Rudman-Hollings budget deficits targets were exceeded and there had to be a sequester, it came out of domestic discretionary.

However, we have made allowance in the budget agreement for such emergencies.

Now, as I have said, Mr. President, there is not a program that is listed in the amendment by the distinguished Senator from Iowa that I do not support. And as I said earlier, I fought in the budget summit to secure increases for those same programs. And since I became chairman of the committee, the discretionary allocation for the Labor-HHS Subcommittee has been increased, has increased from $39.6 billion in fiscal year 1989 to $58.9 billion in fiscal year 1992. For fiscal year 1989, the Labor-HHS Subcommittee's allocation for discretionary programs was $600 million above the President's budget request. For fiscal year 1990, my first year as chairman of the committee, the subcommittee received an allocation which was $3 billion in budget authority above the President's request. For fiscal year 1991, the subcommittee's allocation was $5 billion in budget authority above the President's request. And for fiscal year 1992, the subcommittee's allocation is $2.6 billion above the President's request.

Using that increased allocation each year has enabled us to provide substantial increases in many of the same programs that are enumerated in the pending amendment. I know the distinguished chairman of the subcommittee has not felt that he was given enough, but every other subcommittee chairman felt the same way. We only had so much money to go around to the 13 subcommittees.

And as chairman of the Appropriations Committee I have to determine how much money will be allocated to my own Interior Appropriations Subcommittee; to the Defense Appropriations Subcommittee, which is chaired by the distinguished Senator from Hawaii [Mr. INOUYE]; to the Military Construction Subcommittee on Appropriations, which is chaired by the distinguished Senator from Tennessee [Mr. SASSER]; to the District of Columbia Appropriations Subcommittee, which is chaired by the distinguished Senator from Washington [Mr. ADAMS]; to the Labor-HHS Subcommittee, which is chaired by the distinguished Senator from Iowa—all of whom are here on the floor at the moment.

But, there is only so much money to go around. And every subcommittee needs more money. I fought at the summit for infrastructure, investment in ourselves, in our children, our health services, our education. And so when we look on balance at all the subcommittees, the Subcommittee on Labor-HHS was treated as well if not better than any other subcommittee. I did the best I could for Mr. HARKIN because he was dealing with human infrastructure. As a result, he and his subcommittee have been able to come forward this year and last year, with more moneys for these programs—health services, education, Head Start, Pell grants, and so on.

For the National Cancer Institute, the funding has grown by about 44 percent or $439 million. Now I am not saying that is enough. Funding for breast cancer and cervical cancer screening has grown from $4.9 million in fiscal year 1990 to $50 million in the fiscal year 1992 bill.

Funding for Alzheimer's research, immunization programs, and Head Start has doubled.

Funding for mental health has increased by 41 percent, or $237.3 million.

Funding for Pell grants has grown from $4.48 billion in fiscal year 1989 to $5.36 billion in fiscal year 1992, an increase of $880 million.

Funding for chapter I, compensatory education for the disadvantaged, has grown by 37 percent from $4.57 billion in fiscal year 1989 to $6.27 billion in fiscal year 1992.

Yes, there are those who would decry the budget summit agreement. I decry it too. It was not everything I wanted. But it was the utmost that was attainable under the circumstances. Had the agreement not been negotiated, then under Gramm-Rudman-Hollings, massive sequesters would have occurred. The programs that we have been discussing would have been devastated.

No agreement is entirely beneficial to one side or the other. Each side has to give a little. But, I believe that domestic discretionary spending—the programs that benefit this Nation, educate our children, take care of our veterans, shore up our infrastructure, and care for the health of our people—is best protected under the negotiated terms of the agreement.

As a strong believer in doing something for this country—investing in the human and physical capital of this country—I wish we could do more, much more, in the area of domestic discretionary spending. I have repeatedly made the case that those are the investments needed to increase this Nation's productivity, protect our standard of living and allow for us to be able

to compete in an increasingly competitive world. I know that the domestic needs of this Nation have become the poor stepchild of the budget, and I know that if we continue down that path we risk becoming a second-rate America with declining living standards, rusting factories, kids who cannot add, kids who cannot say in what century even, let alone what year, the Civil War began, and an economy beholden to the technological expertise of citizens of foreign lands.

Nobody has made a stronger case than this Senator has tried to make for those needs. Nobody has spoken louder or longer than has this Senator that we must awaken and stop the erosion of our physical and human capital.

But now, Mr. President, strip away this agreement, trash this agreement, adopt this amendment, blow this agreement off the map, as the amendment would do, and our domestic needs will then be at the mercy of any amendment to fund defense or international spending that happens to have enough votes to pass. Trash this amendment, and any sequester, any sequester that comes along because of technical errors on the part of OMB, any sequester that comes along because of economic fluctuations that result from a recession, will cut deeply into the very domestic programs which are vital to the future of this Nation.

Gut the agreement, and the overspending of any committee will be paid for by cutting appropriations for discretionary spending across the board. And, Mr. President, that means the programs that the distinguished Senator from Iowa is fighting for across the board, they will take their share of the sequester, and the sequester may result from overspending in defense, or overspending in foreign operations. Nevertheless, those programs, our programs, our people, our infrastructure needs are going to suffer because the sequester will be across the board; across the board.

Do we want to go back to that situation? That is where we were before the summit. It is in the interest of those of us who want to protect the domestic agenda to adhere to the budget agreement and work within its framework. So I ask all Senators not to go down this road of chaos. I ask them to oppose this amendment which may, in the end, be counterproductive to the very cause it seeks to help.

I know it is a difficult amendment to vote against, and I know the distinguished Senator has spoken of the human investment gap, but I assure him that, as I say, my footprints are there already.

He has said he could go out here and ask any citizen, what do you think of this program? What do you think of our amendment? What do you think of more money for this, or would you prefer a budget agreement? He says you know what the answer will be. "They will vote for these items in my amendment."

Of course, they will. Of course, they will.

But if I were they, I would say, "Well, now, what is this budget agreement all about? What does it mean if we break this agreement?" Now, I say, "do you want the items in this amendment or do you want to break an agreement which would mean that, with sequesters, all of these items would be cut"—they are not being cut now. We are adding on to them in the very bill that the able Senator is managing, but they would suffer cuts; education programs would be cut; Pell grants would be cut; mental illness programs would be cut, Head Start would be cut, cancer research would be cut, all of these things would be cut if the agreement is broken and sequesters occur, as they surely will. Now how do you feel, Mr. citizen? Now how do you feel? Think it over.

Mr. President, I have done my level best, as the chairman of the Appropriations Committee, to protect this subcommittee and to provide it with the necessary resources to better meet its vital needs. It is not the only subcommittee with pressing needs, I say. It is not the only subcommittee that has programs to provide assistance to children and to the disadvantaged. There are a number of programs in other subcommittees, such as WIC, food stamps, low-income housing, housing for seniors, programs for native Americans. These are all important programs. All of these programs, as well as programs for our Nation's fiscal infrastructure, its highways and bridges, its mass transit, and its airports need more funding. But we are paying $207 billion interest on the deficit this year. That is more money than we have to spend for domestic discretionary initiatives. We only have $199 billion for domestic discretionary; only 12.6 percent of the total budget for domestic discretionary. But the massive deficit requires us to work within the framework of the Budget Enforcement Act.

I hope when we go to meet again at the summit, at such time as we do go, that we will be able to come out with a better agreement. And maybe we can do so, in the light of the changed conditions that the distinguished Senator and other Senators have alluded to here. But, under the present circumstances, Mr. President, I would say that today is not the day nor is this the way to help the programs we believe in.

The distinguished Senator from Iowa says Yeltsin broke the deal. But Yeltsin did not balance our budget. Yeltsin did not lower the interest on our national debt. I congratulate Yeltsin for what he has done, but let's be patient until the dust settles. I say this with all deference and respect for the distinguished Senator from Iowa. He has a right to call up this amendment. He has a right to a vote on something. He will get a vote. It will be on a procedural point of order. And for those who want to interpret that as a vote against the program, they may do it. But I hope they will read the record and see that this Senator and others who are supporting the point of order are supporting the very programs that the distinguished Senator is fighting for. But if we go down the road he would lead us, I say it with all due respect, we will find in the long run that the breaking of that agreement will be counterproductive. Then go back to the man in the street and say, how did you like my vote? It is going to cost you, Mr. Man-in-the-Street because your programs are going to be cut because I voted to break the agreement, and sequesters are across the board.

Mr. President, I like what the distinguished Senator from Iowa said. He said he believed in common sense. Common sense would tell me that it will not do any good to cut off our nose to spite our face, and that is precisely what we will be doing if we break this budget agreement.

I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. DOMENICI. I wonder if the Senator would yield 2 minutes to the Senator from New Mexico, to just compliment Senator BYRD, and then I am finished with my remarks.

Mr. ADAMS. I will be pleased to yield 2 minutes so long as I do not lose the floor and I will receive it back as soon as the distinguished Senator finishes his remarks.

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

The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, let me say to my friend, the chairman of the Appropriations Committee, I was here for all of his remarks, and with reference to the history of the summit, what we did and what we did not do, I compliment him. I compliment him, and I want to say that my recollection of it is exactly as is his.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

Mr. DOMENICI. Let me make a point to my friend from West Virginia. He indicated that it was through his efforts that domestic appropriations were saved from what was recommended by the administration and that we have a $40 billion increase over the 5 years for domestic appropriations.

Might I say that not only is that true, but the Appropriations Committee has seen to it that this subcommittee on this bill received significantly more than other subcommittees. And

let me suggest that the chairman has been absolutely correct and is confirmed as correct, without the proposed amendment. The various programs that we want to increase in that amendment have already been increased by $1.7 billion. That list of eight or nine programs already went up $1.7 billion.

If that is not enough, then let me suggest that the committee has been very, very—what is the word I want? I was going to say wise but I do not want to use that. They have found a way to even get more. Maybe I will say it that way. The very same programs are increased at the end of the year in delays of obligations; the very same programs are increased even more. Let me read a couple.

SLIAG—it is increased $1.123 billion at the end of the year, so it does not count, so it counts for next year. But they will be able to say to everyone we got it this year. It is in this bill.

NIH, the National Institutes of Health. At the end of the year, so it will not count except for 1 day, $347 million, and $145 million in outlays.

LIHEAP, $445 million, at the end of the year in outlays, added to what I have just described as a $1.7 billion increase.

I believe that the add-ons at the end of the year should be challenged. But if they are challenged, the Senate is going to say OK, I am sure. But this just goes to say if you vote for the bill and not for the amendment you have already voted for significant increases in each and every program that is in the amendment that seeks even more increases. You are not voting for any cuts in the bill. The bill has dramatic increases.

I think that, along with the process which is going to fall apart—we are going to have no process for budget control—ought to justify a sounding defeat for the amendment.

I yield the floor

Mr. BYRD. Mr. President, will the distinguished Senator from Washington allow me to proceed for 2 minutes in response to something the distinguished Senator said?

Mr. ADAMS. As long as I do not yield the floor, I yield 2 minutes to the distinguished chairman of the Appropriations Committee.

The PRESIDING OFFICER (Mr. ROCKEFELLER). Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the Senator. He has suffered long, in having to listen to my previous remarks, and I thank him for yielding at this point.

The distinguished Senator from New Mexico spoke of what would happen by virtue of applying the budget authority, the obligational authority on the last day of the year and letting the outlays fall in the ensuing year. I hope that we will end up the year with some budget authority, because the committee will need budget authority in fiscal year 1992 in order to fund the crop losses that are going to be funded in the supplemental. That is coming down the road. They are going to have to be funded. The 1990 crop losses were $750 million; the 1991 crop losses, $1 billion. We will have to fund those crop losses, and still stay within our domestic discretionary cap or suffer a sequester on all programs. So I hope we will strive to end up this fiscal year with some budget authority which we can use in the supplemental in dealing with those crop losses.

I again thank my distinguished friend from Washington, Mr. ADAMS.

Mr. ADAMS. Mr. President, I rise today to speak in favor of Senator HARKIN's amendment to transfer funding from the defense side of the budget to meet the growing domestic needs we face in this country. But before I speak to what this amendment would accomplish, I want to express my deep appreciation to Senator HARKIN and his staff, and the other members of the Appropriations Committee, for their support in working with me to fund several critical priority areas: women's health and cancer research, the Ryan White AIDS care bill, elderly and human services programs, family planning and family support services.

The Labor-HHS Appropriations Subcommittee faced an especially difficult appropriating process this year. Senator HARKIN received over 1,000 requests for funding new and existing programs and had little money to work with. Last year's budget agreement left us with one hand tied behind our backs. We were forced to choose between funding biomedical research and low-income energy assistance programs, between education and preventive health care, between Head Start and elder abuse programs. I submit to my colleagues that this is no way to run a government. And it is certainly no way to meet our critical domestic needs.

Nevertheless, I want to commend Senator HARKIN and Senator BYRD for getting us through this process and for funding the programs we have. There are several areas that are especially noteworthy, historic really, of which we should all be proud.

This bill provides nearly $70 million for research on women's health; specifically, it funds an office of Women's Health Research and provides the new NIH Director, Dr. Bernadine Healy, with funding to begin the Healthy Women's Trail, a trans-NIH study on midlife women.

Most importantly, the National Cancer Institute will receive $200 million increase over the Presidents budget. Returning the power of the NCI to its 1990 level. This money will support critically important research needs in basic and clinical research, prevention and control, and education.

We have also taken a significant step in redressing the health care gap in the area of women's research. We have provided $132 million for breast cancer next year, $30 million more than the President requested; $20 million of this money will fund basic breast cancer research to find a cure and understand the cause of this dreadful disease, and $10 million is slated to establish six breast cancer research centers to expedite basic research results from the labs to the bedside of breast cancer victims. We also increase funding for ovarian and cervical cancers, and we will fund a $50 million CDC breast and cervical cancer screening project.

I am also particularly pleased by increased funding for several critical programs in the Older Americans Act. We provided much needed increases in important programs such as the Ombudsman Program, which provides advocates for the elderly in resolving problems concerning nursing homes; for elder abuse and exploitation programs; and for a new program that will provide meals to students and the elderly at school sites; as well as other activities, such as health prevention and promotion services.

The committee also provided $137 million to the alcohol, drug abuse and mental health services block grant to further research into fetal alcohol syndrome, the leading cause of mental retardation. The University of Washington Medical School in Seattle is a national leader in FAS research, and I hope it will receive Federal funding to continue its important work.

Despite these gains, however, we are not meeting the domestic health, education, and social services needs of Americans, particularly children. Let us be clear about this. Funding for education programs is $1.1 billion below the House; LIHEAP, the country's major source of energy assistance for low-income individuals, particularly the elderly, has been cut. The Older Americans Act, the Federal Government's largest discretionary program to serve the elderly received less than a cost-of-living increase for the majority of its programs. Funding for child abuse programs received only minimal increases—despite the growing number of children reported abused or neglected; and funding for medical research received far too little funding to keep pace to meet the incredible opportunities we have to reach breakthroughs on such tragic diseases as juvenile diabetes, spinal cord injuries, or cystic fibrosis.

When the Persian Gulf conflict erupted, the Congress acted swiftly and decisively to fund the effort and support our troops. We have shown humanitarian concern by funding programs for the refugees created by that war. We have also continued to provide funding

to help foreign countries who have suffered devastating natural disasters. This amendment provides us the opportunity to demonstrate the courage and to show the same commitment to programs that help Americans here at home.

Our national priorities are upside down. For me, there is an inherent frustration in knowing how much more could be done if this Nation's priorities were shaped in a manner that made cancer research as urgent a priority as, say, SDI; a project that has been referred to as brilliant pebbles but which in reality is no more than expensive rocks.

I strongly support Senator HARKIN's amendment to transfer $3 billion in budget authority from the Defense budget to the domestic agenda. This transfer will result in an additional $1.6 billion in outlays for programs in labor, education, health, and human services. The amendment will modify the budget caps established in last year's Budget Enforcement Act without increasing the Federal deficit.

An educated healthy, and productive citizenry is as crucial to our national defense as the Patriot missile. Desert Storm is over and we have brought back home almost all of the troops. The war at hand is the war on unemployment, limited access to quality health care, poor student achievement, and related problems of poverty. The most pressing problems that face this Nation are not a half a world away; they can be found on the streets of every city in America.

Many programs need additional funding. We need to set America on a path to eradicate poverty, unemployment, dysfunctional families, and preventable diseases. I cannot understand how we can cut some of these critical programs. The Harkin amendment would begin to set out funding priorities on the right track.

Cancer. Research is the cure for cancer. But the President's request was $802 million below that recommended by cancer experts convened to advise him on cancer priorities. This amendment will increase the Senate's recommendation by another $400 million and would go a long way to meeting our goal and it would, as the late Senator Warren Magnuson and Mary Lasker noted, end needless suffering they fought so hard to eradicate when they fought to pass the National Cancer Act.

Breast cancer. We could save the lives of 30 percent of women who get breast cancer if they were to get mammograms. The Harkin amendment would add $50 million, doubling the Breast and Cervical Cancer Mortality Prevention Program and allowing more States to establish statewide screening services for low-income women.

LIHEAP. This amendment would add $400 million to bring the program total to $1.7 billion, thereby serving an additional 1,613,000 people.

AIDS. The HIV epidemic, especially in urban centers, is at a crisis. This amendment adds $100 million for Ryan White AIDS care bill, making the total appropriation $400 million.

Education. The amendment would add $270 million for Pell grants, which provide financial assistance to the neediest students for college.

Elderly Americans. The amendment could increase and improve services that low-income elderly populations depend on such as congregate and home-delivered meals, transportation services, legal assistance, in-home services for the frail elderly, and programs for native Americans.

It is time to redirect Federal dollars and national priorities. This amendment will do just that. Americans should not have to forgo heat, go without health care, or without prevention services. I strongly urge all of my colleagues to support this amendment.

Mr. President, this is really the beginning of a historic debate—what I hope will be a historic change in the budget process. I rise today because I was the first budget chairman and the budget resolutions that we put forth in 1974, 1975, 1976 when I was in the Congress, had no relationship, nor were they anywhere near what we are dealing with today.

The budget process as we are seeing it today is not a Holy Grail. It should be changed.

I am grateful for the remarks of the appropriations chairman that he did not want the budget agreement and that he was not in favor of sequester. I want to add to his voice the fact that I shall support the Harkin amendment today as the opening gun in changing this horrifying process known as Gramm-Rudman, which I never voted for because I had left the Congress and the Cabinet when this was adopted. I was not here in 1981 when the reconciliation bill went through and the whole process, in my opinion, was perverted and turned upside down.

The budget process, as it was created, was to be a guide and a strategic plan for the Congress. The administration was not to be involved at all. That was one of the key points in it because up to that time, we had two things happening: First, the President would send up a budget which was a big document created by all of the departments, and all the Congress was able to do, in the period that it had to look at it, was what we called marginal budgeting. They would look at each item and try to change it up or down a little because they had nowhere near the staff to try to deal with this document. The budget is a political document; the President would send up a political document.

The second thing we were dealing with was that the President—prior to that immediate time, it was President Nixon—went beyond that. He went beyond not only sending up the document, but even after we in the Congress had worked our will on it, he impounded the funds. He became a king. In other words, if he did not like the appropriations, he just did not spend it. So the Budget Act was a result of saying no more impoundments, no more of the administration interfering with the Congress' power. The Congress appropriates money, not the administration. No more interference at that point, and we will put in a budget process so that everyone can see what our strategic plan is. It was not to be vetoed. It never went to the President. It was part of the rulemaking power of the House and of the Senate.

During the 1980's, a historic change came about. It was voted through the Congress. It is now law. That change involved two basic things. First, it turned the budget process from being a strategic plan into a disciplinary act. All one has to do is read the book of David Stockman where he admits that this is what was done. The second part of it that was created was to put in Gramm-Rudman-Hollings, which was to sequester. These items provide the present basis by which the Congress operates.

What I am talking about today in supporting the Harkin amendment is not to oppose what my chairman is saying, because he did fight for these programs. In a moment, I am going to comment on those programs and how they affect my State. But it is to say that this is the opening gun in the new battle for the third stage of the budget process which is that we will take back the power to appropriate and we will not be dominated by the administration setting an agreement upon us. There must be a new agreement. I do not know how long it is going to take us to get there, but if we do not serve notice that we are about it, it will stay in place.

Why do I say this is a historic moment in time, and why do we do this at this point? Because this great institution runs the risk of becoming the last outpost of the cold war. The cold war is over as far as the troops in Europe are concerned, as far as the Warsaw Pact is concerned. The Soviet Union has imploded, or exploded, whichever you wish to call it. So the defense posture throughout the world, as all the American people know it, has changed, and yet we are here arguing about the past amendments and agreements that we had.

What I am here to do is not to criticize my chairman or someone else, but here to say that this is how we start to change to meet where the world really is. We do not need to spend $160 billion in Europe. Germany is very capable of defending itself. Against what? There are no troops left. There are no troops in Czechoslovakia that are going to at-

tack. There are some left that are Russians, and they are all leaving to go home, if they can find a place to go.

What we are talking about is the American people want us to move to the future, and our future is to start shifting priorities. This is an appropriate way to start it.

We do not break the caps. This does not increase the deficit. This is the first argument on priorities of do we spend money in the Defense budget to fight an army that is no longer there or do we spend money in the domestic area to fight sickness and children's disease and all the things which have been mentioned, which are there and which are reality and which are what we are here to try to protect, which I try to protect for my State and everyone else tries to protect for their State.

Yes, this is a hard amendment to vote against. But we are not here to vote process. We are here to vote for what our people sent us back to do: To recognize the reality of the world and that we may lose this fight because of the numbers that are against us.

We should take back the power to appropriate and the power to set budget agreements into these bodies, the Congress. And then the administration can veto if they want and we can try to override the veto. That is how the system works. I do not mind trying to change this agreement, because the President has vetoed 22 straight times. That sort of changes a little bit what we have put forth as our priorities. That is what we are talking about here, priorities.

So if we are to be the minority party trying to overcome vetoes by getting 66 votes or trying to overcome budget points of order by getting 60 votes, we might just as well face it, go to the American people with the issue, and that is where we are.

So I say to the chairman, I am the wave coming with you, behind you. And today may not be the day, but you and I will be joining hands to change this system and bring this power back to where it belongs, to this Congress, and we will establish a budget agreement among ourselves, and we will fight it out as a third branch of Government.

The final reason I say this, Mr. President, and to my chairman, is that the Supreme Court is going to change dramatically, and it is the third branch. So here we are one part of one-third of the Government and we, therefore, have to be very strong and take our positions very well.

So I am going to support Senator HARKIN's amendment and I will support a waiver. I understand we are going against the budget agreement. You and I did not like the agreement. We voted against it the first time and finally had to vote for it in order to get the place moving because we are all that is left.

So I want to thank him and I want to thank Senator HARKIN for getting us through this program. And I think you are an absolute genius at being able to allocate money among committees and run that committee under the most difficult circumstances. But let us start working on changing those situations. Let us start working on getting to the basics of the constitutional power which is ours.

Mr. BYRD. Mr. President, will the Senator yield? He addressed his remarks to me?

Mr. ADAMS. Certainly.

Mr. BYRD. I think whatever we do basic to such an agreement, will be discipline. There has to be discipline.

Mr. ADAMS. Absolutely.

Mr. BYRD. And this body has to discipline itself when it comes to spending. It has to discipline itself when it comes to paying as you go.

Mr. ADAMS. I agree with the chairman. And that discipline should apply to the Defense Department, to the savings and loan, and to a lot of other mismanagement items that came out of the administration. These items should be disciplined, not just children not getting their immunization shots or the very small items that we have compared to the big items.

Mr. BYRD. Will the Senator yield there? The Senator spoke of the savings and loan fiasco?

Mr. ADAMS. Yes.

Mr. BYRD. If it were not for those agreements, those costs would come out of the hide of the very programs that were enumerated in the amendment.

Mr. ADAMS. I understand this amendment. That is why I am saying to the chairman this is the beginning; this is the beginning, I hope, of change.

That that circumstance should exist is something we should have never let happen and we should be about changing it. This is the first step in trying. We will see how well we will do. I hope we will do well because let us look at what we did. I agree with the comments that have been made that there have been improvements in the amounts of money that have been spent. This bill gives nearly $70 million for women's health. We should have been doing something about that years ago. It provides the new NIH Director some help. We have done something for the Ryan White AIDS care bill. We have also done some things in the area of alcohol, drug abuse, and mental health services. I can go down a list of the items that have been not only helpful, but we acted decisively in the Persian Gulf; we have acted to help refugees; we have acted to help disaster people. But now I think we have to look at this.

The reason I say it is historic is our national priorities are upside down. For me there is just an inherent frustration in knowing how much more could be done if our Nation's priorities were shaped in a manner that made cancer research as urgent a priority as, say, SDI, a project that has been referred to as Brilliant Pebbles, which is really no more than expensive rocks.

I strongly support Senator HARKIN's amendment to transfer $3 billion in budget authority from the Defense budget to the domestic agenda. It would give $1.6 billion more in outlays for labor, education, health, and human services without breaking the caps or increasing the Federal deficit. An educated, healthy, and productive citizenry is what makes a nation strong.

I close by saying I think Europe can defend itself. I think the German economy, and I certainly think the Japanese economy, which do not spend the amounts we do on defense but instead put it into the other national priorities like we are talking about here—there is health care in those countries, there is production, there is competition among their industries, and they are competitive with us. So I say, Mr. President, let this institution today move forward to a new stage in budgeting. Yes, we need discipline, but discipline includes not spending $160 billion to face a shadow army. It includes spending as much money on research for health and for education as it does for defense against an enemy which no longer has the capacity to compete with us. That war is over. The other war is just starting, and that war is to give the American people a decent standard of living, no more sliding down of the standard of living, no more pushing people out of the health care area, no forgetting to help the seniors who are not able to help themselves, no more saying to people who have lost their jobs they are not going to get unemployment compensation.

I do want this to be a friendlier, quieter, better Nation, and the way to do it is to start today and then go step after step after step. I hope the day will come when I will be able to join hands with the chairman of the Budget Committee, the great Senator from Tennessee, and the Senator from West Virginia, the great chairman of the Appropriations Committee, when we fix this thing, and I am joining with Senator HARKIN today, not in opposition to the Senators at all but to say this is the beginning, and I think we will carry it through this election and we will carry it through the next one until we have changed the system to where it works for the American people. They expect it of us. They expect us to be real. They do not expect us to be in agreement with Presidents that not only veto us continually but do not come up with a program to meet their problems.

So, Mr. President, I thank the Chair for the time. I thank my colleagues for the time. I think this is a day we will long remember as the beginning of the third stage of the budget process.

I yield the floor.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUYE. Mr. President, I rise most reluctantly but most respectfully to speak against the amendment of the Senator from Iowa. I say reluctantly because, like most of my colleagues, I am well aware of the many health and education programs that are woefully underfunded. I say respectfully, Mr. President, because I am well aware of the countless hours and days and weeks put in by my friend from Iowa for the cause of the underprivileged, for the cause of the ill. But, Mr. President, the proposal is a very complex one. This amendment proposes to provide $3 billion for additional domestic programs by cutting unobligated Department of Defense funds. In order to provide $3 billion, you will have to reduce prior year Defense funds by $7.4 billion.

The argument has been made, Mr. President, that these funds, since they are not obligated as of this moment, are not needed.

May I suggest to my colleagues that unobligated Defense balances are not excess funds. They are not leftover surplus funds. When we approve a program—let us take an aircraft carrier—we fully fund the procurement of that aircraft carrier, let us say $3 billion. For the first 3 or 4 years nothing may be spent, but the money has been set aside. It may take 7, 8, or 9 years to fully fund this aircraft carrier, but that amount has been set aside, unobligated for the time being.

If we decide to follow the leadership of my friend from Iowa, it would mean we would have to cancel contracts, renegotiate contracts, and I think all of us agree that whenever you renegotiate contracts, you are paying a higher price. We would have to pay penalties to those contractors because we work on contracts. So in the long run, Mr. President, we would have to pay more than we have already spent and we will get nothing in return, nothing in return for all the moneys we have spent.

But I think there is something else involved in this amendment on which I am compelled to say a few words. My dear friend from Washington said that the war is over, the Russians have either imploded or exploded. Mr. President, I now speak as chairman of the Defense Appropriations Subcommittee. A bit of history might not hurt at this stage, Mr. President. While doing some research on military spending. I had to chuckle when I learned that after the Revolutionary War the Continental Congress decided peace was upon them, so they reduced the military to 80 men. That was the total number of men in the U.S. military—55 at West Point and 25 at Pittsburgh. A year later the British took this as an invitation to burn down the White House, and they burned this building.

After World War I, we were so horrified by warfare, by the use of gas, by the number of casualties that we became a neutral country and we passed several acts of neutrality. So we began cutting our military.

I think all of us should refresh our memories by going back to Gen. George C. Marshall, who became the commander of the largest military force in the history of mankind: 12 million men under arms. When he took over his first command as a general, he had a division. A division has usually 24,000 men. It was on paper. He had 200 men at Fort Leavenworth. That is including cooks, kitchen police, medics, jeep drivers; men carried cardboard tanks, men used broomsticks as rifles. That is the way it was, sir. That is the way we were unprepared on December 7, and in a few months we will be observing the 50th anniversary of that day.

So we had 12 million men at the end of 1945. Victory was a great one, but a costly one, a painful one. Then we, in the Congress, decided peace was upon us. So we began cutting our troops. In 1949 we had 1.2 million men in uniform. President Truman tried to provide funds to maintain that number. The Congress rejected that move and cut that in half.

On June 25, 1950 at 4:55 a.m., the North Koreans crossed the border. We had to send cooks, stevedores, and clerks from Japan to stem that tide. And now historians tell us that the first 10,000 casualties in Korea were due to the lack of training and lack of equipment.

Yes, there is a great turmoil in Moscow today, sir. But, Mr. President, I would prefer to face a committed, dedicated, tough, mean enemy, an enemy that I am aware of and I know where he is coming from, than someone who has something in his hand and I am not certain whether it is an olive branch, or a knife. With all the changes that we have seen in Moscow, with all the changes we have seen on CNN, the changes in names, and faces, the only changes in names and faces in the military were on the top level. Not a single flag was retired in the Soviet military. Not a single flag, not a single division was put out of commission.

While this Congress and this body was debating whether we should have mobile missiles, while we debated, the Soviets deployed 250 mobile missiles. While all of this turmoil was going on in Moscow, the assembly lines continued. Today, notwithstanding the economic problems, they have more artillery pieces than the United States and NATO combined. They have more tanks than the United States and NATO combined. And they have a lot of ICBM's.

Last year while they constructed nine submarines, we constructed one. This year, Mr. President, the Soviets will construct 10 submarines and we will build 1. At this moment, they are constructing an aircraft carrier. And, Mr. President, an aircraft carrier is power projection. The Pacific fleet is at this moment much more lethal than it was 3 years ago.

I say all of this because I am uncertain. I do not know where Mr. Gorbachev will be 2 days from now. No one can assure me that Mr. Yeltsin will be there 2 days from now. Intelligence experts tell us that we should be prepared for another coup or many other coups in the Soviet Union. And if this loose confederation of sovereign nations becomes a reality, then we will have 10 more nuclear nations added to the roster. These are its uncertainties. And as chairman of this committee, I do not with to be presiding over any activity that will leave us totally unprepared.

I would hate to be the chairman of the Defense Appropriations Subcommittee in 1949 and later have people tell me because you did not appropriate the money, 10,000 either died or were wounded because of the lack of training and the lack of equipment.

No. Mr. President. I will have to oppose this amendment, much as I admire my friend from Iowa. I know where his heart is. And as he knows, we have done our best to try to find funds elsewhere. He has been not only generous with his time, but with his bill on matters of keen interest to me and my State.

So as I said in the beginning, Mr. President, with some reluctance, a great amount of respect, I will have to oppose this amendment.

Before yielding the floor, Mr. President, may I commend my chairman of the full committee. It is always a pleasure listening to the Senator from West Virginia. He always reminds us of what it was and what it could be. Although we all participated in the change in the budget of the United States, he is the walking encyclopedia. I am glad that he is around to refresh our memories on a regular basis.

My only regret is that all of my colleagues were not here to listen to the Senator from West Virginia because his assessment is absolutely correct. If this amendment passes, and the budget reform is put to rest, then the programs that all of us have been supporting in the domestic section will go down the drain. And I do not want to see that happen.

I thank you, Mr. President.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I am glad I have had the opportunity to be here to listen to much of this debate. I commend our dear colleague from Hawaii. His wisdom I think will not be lost by the majority of the Members of the U.S. Senate.

I also would like to thank our distinguished former majority leader, the chairman of the Appropriations Com-

mittee. I worked for many months with him on this agreement. And there is one thing you can always be certain of in dealing with Senator BYRD and that is his word is good. When he commits to an agreement, some popular idea may come along that he may find attractive, but he does not forget that he gave his word to make the process work, and that is why he is the most respected Member of the U.S. Senate.

I would just like to say that I personally appreciate it, and I think it is very valuable to our Nation.

Mr. BYRD. Mr. President, I thank the distinguished Senator for his charitable words; I appreciate it very much.

Mr. GRAMM. Mr. President, I want to remind people as briefly as I can where we are and what this amendment is about and talk about the two issues we are trying to decide here today. I remind my colleagues that last year we agreed to a 25-percent reduction in defense. We have a dramatic reduction in defense underway. That reduction, over a 5-year period, will reduce the number of people in uniform by 500,000. It will dramatically change the defense structure of the Nation, and it will dramatically reduce real expenditures on defense. That process is in place and underway.

As part of that same budget agreement, we agreed to a $40 billion 5-year increase in discretionary spending. We also went on a pay-as-you-go formula for entitlement spending. There were many things about the agreement that I did not think were optimal, but in terms of enforcing the spending agreements, I think it is vital to the national interests that the enforcement should be done.

The first question that I think we have to answer, and how we vote on the procedural matter as to whether or not we are going to uphold that agreement, is: Should we declare another peace dividend? Having cut defense last year by 25 percent over the next 5 years, is it time for another dramatic cut in national defense?

The distinguished Senator from Hawaii, I think, has spoken to that with greater eloquence than I can. I agree with him that with a dramatic defense reduction already underway, with the unpredictable changes occuring in the Soviet Union, now is not the time to make another reduction without gaining further information about what is happening.

I think we need to be cautious and, quite frankly, while I am hopeful that in the future we can reduce defense again, it has to be based on real actions and real progress in the Soviet Union. I am afraid that I believe that even if we are successful, and even if progress is made, we still need the strongest defense in the world. Even in a world where, according to the Biblical prophesy, the lion and the lamb would lie down together in peace. I believe it is vitally important that the United States of America be the lion, and I am always going to be committed to that. I will always believe that good has to be more powerful than evil, or those who might potentially be evil.

So I think that this debate is a year too early. I think we need to implement the defense cuts that are underway. We need to gain information over the next 9 months, and then I think this debate ought to occur on the next budget. I think we have declared one peace dividend; most of it went to deficit reduction, and it should have. I do not think it is time to do that again.

But the second issue which we really are engaging for the first time here is: What are we going to do with this peace dividend? If in fact we begin to beat swords into plowshares, who is going to own them? If we are going to beat swords into plowshares, what are we going to do with the plowshares?

Our colleague from Iowa has a clear vision. His vision is that we ought to spend the peace dividend; that we ought to declare it today, and that we ought to spend it; that Government should be the beneficiary of the peace dividend.

Well, Mr. President, this debate is not going to occur today, other than simply the beginnings of the debate, because we are going to uphold the budget point of order, and this amendment is going to fall. But this debate is going to be back in one form or another many times, and I believe it will be decided next year.

I want to put people on notice that there is an alternative as to what we might do if, God willing, we get a real peace dividend. The alternative is to invest it, not spend it.

Who says that the people riding in the wagon should be the sole beneficiary of peace breaking out? I think the people that are pulling the wagon ought to share some of the benefits. After all, they are the people that paid to build the defense that won the cold war.

So, at the proper time when we have this debate, when we debate whether or not there can be a peace dividend, I want to put people on record that I will have an alternative to spending it. That alternative will be to first apply part of it to reducing the deficit, to free up capital for private use, to lower interest rates so people can build new homes, farms, and factories, to generate new economic growth.

Second, I think we ought to take part of the peace dividend and give it back to the working men and women of America by raising the personal exemption and, in the process, letting American families spend it, letting American families invest it in the health and education of their children, letting American families invest it in their future.

So there are two issues in debate here: First, is it time to declare another peace dividend? I say no. Let us wait 9 months and see what happens in the Soviet Union, and then let us debate that issue. I am hopeful at that time we can safely reduce defense.

Second, what are we going to do with the peace dividend if it is declared? I say let us give it back to the working men and women of America. Let us not permit Government to spend it.

I yield the floor.

Mr. BRADLEY. Mr. President, the question my colleague from Iowa is asking today is, can we take advantage of the changes in the world to make a better life for American families? Can we make our budget reflect our real priorities as a nation—healthier families and better-educated kids? I believe we can.

Can there be any doubt about what our national priorities should be now that our longstanding military rival no longer exists as a nation? Improve life chances. Invest for the future. Reduce the burden on American families. That means Head Start, childhood immunizations, Pell grants for college, and a search for answers to cancer and Alzheimer's. The unobligated funds from the defense budget authorized as far back as fiscal year 1988 obviously have nothing to do with our priorities.

This amendment is right on the mark because it funds the best programs, the programs that make a real difference in education and health, by taking money from just the right place. It's a modest cut from defense outlays—barely six-tenths of 1 percent—to make a big difference for people.

Money the Defense Department hasn't even been able to spend could bring 1.8 million preschool children fully up to date on their vaccinations. It could deliver the miracle of Head Start to 360,000 children. It would double our spending on research for a cure for Alzheimer's. It could provide enough money to increase the maximum Pell grant to $2,500, making a college education a little more affordable. And it could provide $258 million in new chapter I basic grants for school districts that need the most help.

To be able to do all this for so little and yet to say no because of misguided budget rules that locked us into last year's shortsighted priorities is, at the very least, irrational. Senator SIMON and I introduced a bill to change those budget rules back in March, so that we could respond to change and take advantage of a reduced military threat. Even then, we needed stronger schools and clinics more than excess defense spending. But after what happened last month, the point Senator SIMON and I were trying to make is undeniable. As the authorities in the former Soviet Union learn the hard way that keeping families healthy and workers productive is more important than international rivalry, we can do the same. Their democratic revolution has freed

us to take care of ourselves. This amendment is the beginning, and I urge my colleagues to support it.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, I see the distinguished Senator from Colorado is going to speak, but at this point, Mr. President, I wish to raise a point of order.

The amendment before us would cause the Labor-HHS bill to exceed its allocation of domestic discretionary budget authority and outlays. I, therefore, raise a point of order against the Harkin amendment on behalf of myself and the ranking member of the Budget Committee, the distinguished Senator from New Mexico [Mr. DOMENICI]. I raise the point of order under section 601(b) of the Congressional Budget Act.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I move to waive 601(b) of the Budget Enforcement Act of 1990 for consideration of this amendment.

The PRESIDING OFFICER. The question is on the motion to waive. The Chair points out that the motion to waive is debatable.

Mr. WIRTH. Mr. President, I think the distinguished Senator from Texas is exactly right. This is a debate that is long overdue. And I hope that he is correct that we will have this debate again next year and more of it next year. I am glad we are having it this year, and I wish we had a great deal more of it last year, and the year before.

This is a debate that goes right to what we want our Government to be, what our priorities are going to be, where we are going, and what the American people except of us, their Government, in a rapidly changing world.

I need not remind everybody of the rhetoric that has gone before, and the good points made before about how this world is changing so very, very quickly. And yet we are stuck, Mr. President, in a way of looking as if the world had not changed at all.

Let me, if I might, she with my colleagues some data. Let us look at defense, how much we have spent in 1991 dollars, Mr. President. The yellow or orange line across this chart is the average budget during the cold war for defense. That is in 1991 dollars. This is during the cold war, which by the way is over. We spent more during Korea. There was a bump-up during Korea, and more during Vietnam, and we have seen this remarkable ramping up in the 1980's. In 1991 we are spending $288 billion on defense. The peacetime average, the cold war average, is less than $250 billion.

The cold war is over, Mr. President, and yet we are still spending almost $40 billion, almost $50 billion more than we did at the height of the cold war. Let me say that again. The cold war is over and we are still spending a vast amount more above the cold war average on defense.

The distinguished Senator from Iowa has said let us start making changes now, and he is absolutely right. The amount of change being made, $3 billion in budget authority, about $1½ billion in direct expenditure to be invested, to use the words of the distinguished Senator from Texas, to be invested in our public, invested in education, is precisely what we ought to be doing.

Now is this going to be an enormous havoc being made, havoc in a budget where we are spending almost $50 billion more than the peacetime average for defense? I am not sure my colleagues are aware of this. The cold war is over and we are still spending a vast amount more than we did at the height of the cold war on defense. What kind of sense does that make? That is what the amendment of the distinguished Senator from Iowa is all about.

The world is changing, and we have not changed. This chart tells you we have not changed. We have made some beginning changes, there is no question about that. We are starting to bring down the defense expenditures, we are starting to do that, but we have a long way to go.

And not only should we do what the distinguished Senator from Iowa is suggesting, we ought to follow the advice of the distinguished Senator from Texas, and do this again next year. No question about it.

Now, having said that, arguments are made here that somehow we are going to put the Budget Act to rest, we will not have the enforcement capability. Not the case. We have the appropriate number of votes—60 votes we change it. That is what we ought to be doing is changing it. We are here to not lock ourselves in for the future. Unfortunately, we have done that in defense expenditures, locked ourselves in. We do not have to do that.

We certainly have all kinds of discretion. We are presumably to have a little bit of discretion, not be automatons, and we said we had some kind of deal that people agreed to. There was presumably going to be a budget deal. That $30 or $40 billion deficit was the famous budget deal that nobody was proud of and not go lock ourselves in, not make investments, and continue this pattern of defense expenditure. It does not make any sense. The American public is telling us it does not make sense.

Let me make a final note—uncertainty.

The distinguished Senator from Hawaii made a very good comment and discussion of uncertainty, that he is afraid of uncertainty. He wants to cover uncertainty and that is a very prudent position to take.

The distinguished Senator from Hawaii was absolutely eloquent today at lunch and I found myself in complete agreement with what he had to say. He was, I thought, right on the button and right on the button to talk about insert as well.

Let us talk about uncertainty. We have spent an enormous amount of scarce public money, the National Treasury, going for uncertainty in many cases. We are going to build new strategic weapons system to make the rubber bounce. What are we doing with all of that, about $30 billion on strategic weapons program, and the Soviet Union is doing what? We have 12 aircraft carriers, Mr. President. Various design of those aircraft carriers is to take the war to the Soviet Union. Is that what we really think we are going to do again? I do not think so. We have spent a great deal of money to presumbly lower any kind of uncertainty whatsoever to cover any inmate contingency and that is fine in the defense area.

Let us talk about other uncertainties. There is being used the uncertainty argument, which is a very good one. I think we ought to be concerned about what happens in a democratic society when the gap between the rich and poor becomes dramatic, as it has become, when we have so many young people not educated, not going to be able to compete in the world in the future. What kind of uncertainty is that bringing to us? What are we doing as a responsible public entity to make sure that we are trying to limit that uncertainty? Nobody can speak about America's education system and not know that that uncertainty is growing out there rather than declining. The amendment of the distinguished Senator from Iowa is to help us start to address that uncertainty.

Let me address other uncertainties, Mr. President, that has not been discussed by this administration in any way, shape, or form, and that is the uncertainty related to the environment. We are putting up into the air greenhouse gases of massive amount. There is a general consensus in the scientific community that what we ought to be doing is lowering those, that the world is going to get hotter and we are not quite sure where, how much, or how rapidly, but it is going to happen. They refuse to do anything about that uncertainty, which is enormous. There are uncertainties in the environmental world which we ought to be dealing with, and education we ought to be dealing with which are somehow left behind. Those are not important and yet we are going to spend $50 billion a year more than we did during the peacetime, during the cold war, and the cold war is over.

That is not a very rational way to deal with uncertainty I do not think, Mr. President. I would guess that the chances are pretty good that we are going to have some very, very significant problems related to our education system, related to social dynamite in the United States if we are not training people.

Let us say the chances are 25 percent, Mr. President, that we might have a significant set of social problems in the country, that we might have some kind of riot against in the country. We are certainly going to be breeding a whole lot of social unrest. Twenty-five percent. Is that high, low? That is a lot of uncertainty in my opinion.

Mr. President, if you were scheduled to get on an airliner but knew the chances were 25 percent that airliner was going to crash what would you do? You would change your reservation. I would say the chances of uncertainty related to social dynamite in this country are pretty darn good and we ought to be making investments in that front, and the distinguished Senator from Iowa begins to do so.

I just remind my colleagues, in closing, what is in this chart once again. The peacetime average is about $235 billion, the peacetime average. This is the cold war. This is that we spent, Mr. President, on average, during the cold war, $235 billion.

We had a bump up during Korea, a bump up during Vietnam, and this big ramp here by $25 billion; we are now spending $50 billion more than that and the cold war is over. We are told we cannot deal with a small and modest change suggested by the distinguished Senator from Iowa. I think the public is waiting for us to do this, Mr. President, and the faster we get on with it the better.

I commend my distinguished colleague for his thinking about this and working on it and presenting this. I think he is doing just the right thing, and I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from Tennessee.

Mr. SASSER. Mr. President, I ask for the yeas and nays on the motion to waive the point of order.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate on the motion to waive?

Mr. DOLE. Mr. President, we have heard a great deal today about the extraordinary number of pressing domestic issues. The list, not surprisingly, includes some of the Senate's favorite programs from Head Start to Alzheimer research.

There is much that this Senator might agree with on that list, whether it is Head Start or research moneys for mental illness. The problem is our country is broke. There is simply no money available to add to even the most worthy programs.

No problem. The authors of the amendment have given us what they describe as a simple solution to the financing dilemma—let the Defense budget pay the bills for every domestic problems. With the Soviet bear on its knees from last months disastrous coup, now is the time to collect the so-called peace dividend.

Well, hold on a minute. I thought the Soviet coup would have been more of a wake-up call for some of the liberals in Congress. I guess the sound of the Soviet Army's guns weren't loud enough. But, just because those guns are silent today, we still need to keep our guard up.

I am amazed by those who claim to know the future—those who offer policies based on a guess or a hope. Nevermind their track record. Somehow, they don't have to be accountable for the last wrong prediction.

The fact is, no one knows what is going to happen next year, or in 6 months, or even a week from now. Time and time again, events in the world remind us that there are always risks, challenges, and dangers.

We spent a whole week not knowing whose finger was on the Soviet's nuclear button. And we still can't say for certain, whose finger will be on it next month—Yeltsin, Gorbachev, or the head of the KGB.

Let's face reality here. Now is not the time or the place for a debate on the Defense budget and, in fact, that's really not what this debate is all about.

The other problem with this simple solution, and the more critical issue in my view, is that it would destroy last year's budget agreement. As far as I can tell, that budget agreement is the only thing right now standing between Congress and budget chaos.

Even with the discipline of that agreement, the deficit is not falling. It's growing. So, if we are going to start cutting from defense, let us have the discipline to apply the savings to deficit reduction, not new spending.

As the Senator from New Mexico has already pointed out, this bill already provides an increase of $1.7 billion for the items on the Senator from Iowa's list. In fact, except for two programs, every program is in line to receive significantly more money this year than last.

Clearly, we need to do more in many areas, but when do we bite the bullet? When do we start thinking about those who will be paying the bill for our deficit—10, 20, and 50 years down the road? Let's stop the buck now. I urge you to vote against waiving this Budget Act point of order.

Mr. DURENBERGER. Mr. President, I rise today in opposition to the motion to waive the Budget Act.

The Harkin transfer amendment holds out the promise of an additional $3.04 billion in Federal funds for cancer research, breast cancer screening, AIDS care, and a host of other social ills. Sponsors of this amendment have drummed up support from a number of grassroots organizations deeply committed to these causes.

The implication that has been raised is that opposition to this transfer amendment is tantamount to opposition to these worthy causes. A further implication is that this money is simply lying dormant "unobligated" and that it is simple matter to put it to good use.

As a Senator committed to a healthy America, and fully committed to medical research and treatment, I am distressed by those assumptions. Mr. President, I believe that this approach is playing politics with the hopes and fears of the American people. This is nothing more than a budgetary sleight of hand.

I am reminded of the "Wizard of Oz" who promised to fulfill everyone's wishes. But, just like the "Wizard of Oz," we are supposed to pay no attention to the activities behind the curtain. Unfortunately, what we are being offered here is only smoke and mirrors.

Mr. President, supporters of this amendment may not be aware of the serious consequences of this proposal. Most people probably do not know that this so-called transfer requires us to violate the budget agreement—an agreement that took the Congress months to hammer out. The agreement, while not perfect, is fiscally responsible.

Mr. President, I find a particular irony in this amendment because the Appropriations Committee bill, that my colleague from Iowa can take much credit for, increases funding to most of the beneficiaries of the transfer. The bill raises funding to the National Institutes of Health, including an increase of $65 million for expanded breast, ovarian, and cervical cancer research. HHS outlays for AIDS-related spending are over $3.8 billion. The Senate bill exceeds both the House bill and the administration's request, and supports a host of important research and service programs.

Clearly, Mr. President, every worthy project could use greater funding. But, the ends of this amendment simply do not justify the means. This is fiscal politics not fiscal responsibility.

Mr. DODD. Mr. President, I intend to vote against the Harkin amendment, although it is not without hesitation that I do so. I certainly share a dedication to the Senator's objectives and in the Budget Committee, of which I am a member, I repeatedly supported efforts to increase spending on these and similar domestic programs. Senator HARKIN deserves great credit for his tireless support for these programs, and I have

been working with him to try to incorporate many of the goals of this amendment into proposals which the Senate will consider later in the week.

This is not the appropriate way to achieve our shared goals. The time to consider such a proposal was during the budget resolution process or in the last executive-legislative budget agreement. This amendment violates both. If for no other reason, I have to vote against it in the interest of maintaining an orderly budget process.

The other reason I oppose this amendment is that it is a raid on our defense budget without any good justification or showing that such a raid is justified and reasonable. I fear a new peace dividend euphoria whereby we vastly overreact to recent events in the former Soviet Union. Following the media commentaries, it becomes obvious that there are people who believe that we can rewrite daily our whole defense budget and procurement strategy on the basis of the latest headlines.

Such action would be premature. Those missiles are still there targeted on us. Those thousands of warheads are still threatening us. Those submarines are still lurking in the world oceans and the submarine yards are still working at full capacity.

We never armed ourselves against the declared intentions of our potential adversaries, or against their friendly or unfriendly attitudes. We arm ourselves against their capabilities. Only a genuine and substantial reduction of those capabilities can indicate that the time has come to lower our guard. I certainly hope that that will happen soon, but I would not like our hopes to get way ahead of our prudence.

If we won the cold war, we did that by determination, prudence, and patience. It would be ironic if our patience ran out prematurely just as the world could start to benefit from the fruits of our steadfastness.

Mr. President, as I said earlier, I agree with Senator HARKIN's goal of strengthening these critical programs such as Head Start and immunization and LIHEAP. But this is not our only opportunity. There will be other opportunities later this week, and I intend to support those efforts.

Mr. LEVIN. Mr. President, I believe that we can and should reduce the defense budget. The turn of events in Eastern Europe and the Soviet Union as well as the need to reduce our budget deficit for the sake of our Nation's long-term economic health justify cuts in defense spending.

But, where to make those cuts in defense spending is the job of the Congress and not the Defense Department. The Congress, through the authorization and appropriations process, has the opportunity and the responsibility to set priorities within the defense budget as well as to set overall spending priorities. The Harkin amendment only does part of the job. It correctly recognizes that defense spending can be cut, but it leaves it to the discretion of the Defense Department where those cuts should fall. For that reason, I will vote against waiving the Budget Act to allow for the consideration of the Harkin amendment.

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

The PRESIDING OFFICER (Mr. SANFORD). Without objection, it is so ordered.

Mr. SIMON. Mr. President, I rise in strong support of the amendment of my colleague from Iowa. Even before what happened in the last 3 weeks, this amendment made sense. But what has happened in the last 3 weeks makes it just much, much more pressing.

Let us take a look at two realities, Mr. President. One is, if you take the cold war, the height of the cold war—take out Korea, Vietnam, and the Reagan years—in the height of the cold war, in 1991 dollars, we spent $235 billion on defense. Now, with the cold war over, we are going to be spending $295 billion on defense. I think we can make some sensible cutbacks here.

I see my distinguished friend, the chairman of the Senate Armed Services Committee, just came on the floor. I heard him make on television one suggestion that would save a few dollars. That makes infinitely good sense. But for us to spend a high percentage of our defense dollar today to resist the Soviet attack against central Europe—and that is what we are doing, you know—that is just irrational.

Do not ask Members of the Senate. Just ask the person on the street in North Carolina, in Iowa, in Georgia, in Illinois, what is the great threat today: The military threat from the Soviet Union or that domestically we are not going to respond to the needs that we have. And they are going to tell you logically it is the domestic needs. If we are going to be a first-class nation in the future, if we are going to increase the productivity as we need to increase it, then we are going to have to do much, much better.

From 1948 to 1973, Mr. President, we experienced very substantial growth in our GNP. From 1973 on, the rate of growth has been cut in half compared to the other major industrial nations, and I think clearly one of the reasons is we have not been investing in our human resources.

There is an interesting book by David Halberstam called "The Next Century." Just a small book. He was in Japan for a while for the New York Times. He has this interesting comment. He says the stem that winds the watch of the Japanese economy is education. We ought to be investing more there.

I think the amendment by our colleague from Iowa makes eminent good sense. I am going to support it. I am realistic that it is not likely to carry in view of the opposition, but I hope it causes us one of these days to do something that is a little more sensible.

Mr. President, I see my colleague from Georgia is going to speak and I yield the floor.

Mr. NUNN. Mr. President, I rise in opposition to the amendment offered by the Senator from Iowa. It is my view that this Labor-HHS appropriation bill is not the proper place to reduce defense and undo the budget agreement. And I think that is what this would do.

Mr. President, this amendment seeks to transfer defense funds to domestic discretionary programs which would be a direct contradiction and violation of the budget summit agreement.

I would like to review just for a moment—because so many people are looking at the events in Soviet Union and saying, "Well, if this is happening, why can't we reduce our defense budget?" And the answer is, we have and we are. That is precisely what we are doing. We have embarked on a 5-year defense reduction program that anticipates events in the Soviet Union will continue to move in the direction that they have moved in in the last 2 years, which is a tremendous reduction in the threat that we have guarded against for the last 40 years.

Mr. President, just reviewing briefly: Since 1985 the defense budget has been reduced by 24 percent in real terms. Under current plans, the fiscal year 1996 defense budget will be 34 percent below the fiscal year 1985 level in real terms.

So when people say it is time to reduce defense, the answer is they are right, and that is precisely what we are doing. We are reducing defense. We are trying to do it on a sensible basis. We are trying to do it in a way that preserves our ability to reconstitute forces if required, because threats can change in the world, and we are trying to avoid the mistakes that democracies have historically made. Every time there has been a change in the world picture for the better, democracies have generally gone into a tremendous disarmament only to regret it a few years later. So we are reducing defense budgets.

In 1996, the 1996 defense budget will be 3.6 percent of the gross national product, which will be the lowest level since 1945; 3.6 percent of the gross national product. It is as if people do not realize what we have done here in the last 2 years, and we have done a great deal.

Over the next 5 years, the number of active duty military personnel will be

cut by 20 percent, a reduction of over 400,000 people. The number of Department of Defense civilian personnel will be reduced 12 percent, or a reduction of 130,000 jobs.

By 1995, the number of Army divisions will be reduced from 28 to 18, a reduction of 10 divisions, or 36 percent. That is the present course we are on. The number of Air Force tactical fighter wings will be cut from 36 to 26, a reduction of 10 fighter wings, or a 28-percent reduction.

The number of Navy ships will be reduced from 545 down to 451, a reduction of 94 ships, or 16 percent.

The number of nuclear warheads will be reduced about 20 percent, assuming that we continue with the START agreement, which I do assume.

Mr. President, we have terminated 20 major defense programs in the last 2 years, and in the interests of time I will not go through all of those, but they include very important and historically important programs that are, I think, well know to everyone.

The procurement budget has dropped 27 percent in real terms in just 2 years. The so-called bow wave of expenditures on major weapons systems has decreased dramatically. The planned expenditures on 25 of our largest weapons systems in terms of money for 1990 to 1995 have been cut in half, cut by 50 percent just in the past few years.

The first base closure round in 1988 closed 86 facilities. About 30 of these were major bases. The current proposal pending before Congress closes 34 major bases, and it is my view there will be additional base closures in 1993 and 1995.

Mr. President, these are the cuts that are already happening. The fiscal year 1992–93 Defense Authorization Act passed by the Senate last month carries out these reductions.

Mr. President, some people say that we must make further reductions in defense spending to have any chance of getting the deficit under control. We have had a budget summit every year since fiscal year 1988. The reality is that the only way that tough budget choices can be agreed to is as part of a compromise that covers taxes and spending on defense and domestic and entitlements by both the Congress and the President. That is the only way we have made any progress at all in the past few years. It is the only way we are going to get anywhere in the future. That does not exclude defense, but it cannot be simply defense.

Mr. President, I do not believe that case for additional reductions in defense at this time has been made. It has not been made on the basis of our security needs. And while there is an indisputable need for additional deficit reduction, defense cannot solve that problem alone, without looking at the entire budget.

I also want to point out that no one knows how the reduction of $7.6 billion in defense budget authority required by this amendment would be made. This is basically saying to the Secretary of Defense, you make the budget cuts, $7.6 billion, and we will leave it completely up to you. It takes Congress completely out of the process. If we tried to do anything like this on the defense bill, we would have howls from every quarter of the Senate of the United States. No one would stand here and say give it to Secretary Cheney and let him make $7.6 billion in cuts. Yet when it is on this bill, the argument is being made to give the Secretary of Defense a blank check. He can cut any program he wants to under this amendment if it is adopted. He can cut any program he wants to without regard to its merits, without regard to anything relating to an analysis. I am not saying he would do that. I am saying that that is an unprecedented authority that we have never given a Secretary of Defense, to my knowledge.

Mr. President, the fiscal year 1992–93 Defense Authorization Act adopted by the Senate last month represented a carefully considered response to the dramatic changes in the world, including the changes in the Soviet Union. It begins to implement a new military strategy based on the changes in the threats to our national security. The process of reducing and restructuring our national security establishment is already underway.

It may be that the events of the past month in the Soviet Union will require further changes in our national security policy. There is no doubt we will be reviewing that. However, I should point out that the Soviet Union still has as many nuclear weapons, and as many men in uniform, as it did a month ago.

It is my view the number of people in the Soviet military establishment is going to go down, but we are going to have to watch this, and we are going to have to see what happens. We should let the situation in the Soviet Union, or the former Soviet Union, settle down. We need to know more about the long-term composition of the Soviet Union, what its defense and foreign policy will look like, before we begin, right in the middle of the process, to make dramatic changes in our own military strategy and our defense budget.

Mr. President, I urge my colleagues to reject this amendment. It would unravel the budget summit agreement and disrupt an orderly process of change and reorganization that is already taking place in the Department of Defense and that must continue to take place.

I yield the floor.

The PRESIDING OFFICER. Is there further debate on the motion? The Senator from Iowa.

Mr. HARKIN. Mr. President, I have sat here and studiously listened to the debate surrounding the amendment I offered, I guess, some 3 hours ago. Listening to the various comments by those opposed to the amendment, one could almost come away with the opinion that my amendment would almost decimate the military in this country, that it would, in 1 year, destroy our entire defense structure.

Let me point out that this amendment I have offered, along with a number of other Senators, transfers 0.58 percent. That is 0.58 percent of outlays next year from the Department of Defense; 0.58, not 58 percent; 0.58 percent of outlays, 2.6 percent of budget authority. Anyone who would argue that that somehow decimates our military, strips us of our ability to defend ourselves—I just do not think that argument holds any water at all.

I must respond at this time a little to what was said by my distinguished chairman and the President pro tempore of the Senate, Senator BYRD, for whom I have the highest respect and regard. He knows that. I only want to correct one thing that the distinguished Senator from West Virginia said. I do not see him here on the floor. I only want to correct one thing, Mr. President.

The distinguished President pro tempore started off by saying that he was not a teacher. I totally disagree with that. There has been no one who has been a better teacher to all of us here than Senator BYRD. I speak personally. Since I first came here, when he was the minority leader of the Senate, and later majority leader and, of course, chairman of the Appropriations Committee, he has been a great teacher and a teacher who embodies, I think, the best of what it means to impart to others knowledge and wisdom. And he is right when he said that he was the one who fought at the front of the battle to save these programs in the budget agreement last year. That is absolutely true. I was not privy to all of those dealings, but I have heard from others that that is so and that he has been talking about the investment gap for a long time.

So I give the distinguished Senator from West Virginia [Mr. BYRD], a great deal of credit for the fact that we have as good an agreement as we do. I do understand the constraints they were operating under last year with sequesters and all of that. But I just say this amendment that I have offered in no way trashes that agreement, or does away with it.

In no way would I say Senators who vote against it are somehow appearing to be against the programs we want to fund. I would not say that. I would not say that at all. Senators just have to decide whether or not they want to vote to open the door so that we can vote up or down as to this 0.58-percent transfer. It takes 60 votes, obviously.

And that is really what the vote will be about.

Do my colleagues feel that we can make that kind of transfer this year to those programs that I outlined earlier—cancer research, Head Start, Alzheimer's, breast cancer screening, mental health, Pell grants, Ryan White's AIDS, immunization, LIHEAP, SLIAG. That is all it is, whether or not we ought to use the procedures—this is not an extra-legal procedure that I am advocating. The budget agreement allows for this kind of a vote. So Senators have to decide how they want to vote. Do they want to vote to permit an up-or-down vote on this transfer or not? That is all it really is. And it does not trash the agreement. It does not mean that simply because we vote to do this today, that we vote to take 0.58 percent from the military and put it in these programs, that tomorrow we are going to rush down here and vote to take 10 percent out of the military for something else. It does not mean that at all. Senators have the ability to decide for themselves how they want to transfer and spend money. We are not computers around here, as I said earlier.

I know about that budget agreement. I have a great deal of respect for those who sat there week after week and hammered that out. But just because we had an agreement last year does not mean we have to blindly continue down that path. If I have a mortgage on my house and I pay 15 percent for the mortgage and a couple of years later the mortgage rate drops down to 9 percent, there are clauses in my agreement that allow me to renegotiate that and get a lower interest rate. You tell me I cannot because I agreed on 15 percent and I have to keep paying that? Of course not. Conditions change, times change. We have to be willing to change to address the new realities that confront us in our society and in the world community.

One other item that I want to mention, and there has been some confusion, has to do with whether or not this would cause the cancellation of contracts. I am proceeding under information that the amendment would only affect unobligated accounts at DOD for which contracts were not written. I guess when you write a contract, then it becomes an unexpended account. So it is my intention with the amendment that it would impact just those unobligated accounts for which contracts have not yet been written. It does not go after the some $200 billion that is in the unexpended accounts. That means contracts have been written and the money just has not been spent out yet.

Again let me say, Mr. President, to those who spoke on this, Senator INOUYE, and the distinguished chairman of the Appropriations Subcommittee, a good friend of mine who I have a great deal of respect for, and others, I understand their concern.

I also listened to the Senator from Texas [Mr. GRAMM], talk about the budget agreement. He talked about a defense cut over 5 years of 25 percent. Mr. President, as I see the budget cuts in DOD over the next 5 years, it comes out to 12.4 percent. From 1991 through 1996, over 5 years under the present program, we are going to cut the DOD by 12.4 percent, not 25 percent, in constant dollars. That really does not come out quite to 25 percent either.

I point out that prior to the Gramm-Rudman-Hollings bill, we had a $180 billion deficit in this country. The deficit in 1992 is now estimated to be $362 billion. So I am not really certain what that budget agreement got us, except more deficits, and a devastation in the investment in the human infrastructure of our country.

The Senator from Texas said that he wanted not to spend it, but to invest it. I tried to copy the words down when I was sitting there listening to him. He said he wants to help those who pull the wagon in this country, not those in the wagon. Interesting.

We want to put money into finding a cure for cancer. One out of three Americans will be diagnosed with cancer. Does the Senator from Texas say those are people sitting in the wagon and not pulling the wagon? These are hard-working Americans who pay taxes and have come down with cancer.

We are trying to find a cure for Alzheimer's, a diagnosis and cure for Alzheimer's. Elderly people who worked hard all their lives and pulled the wagon in this country and now, for some reason, we shouldn't do this because, he says, they are sitting in the wagon.

Breast cancer screening? How about Head Start? Maybe some of those young kids are sitting in the wagon, but we want to give them a chance to get out and start pulling the wagon by giving them a head start in education. That is what this is all about. Immunization programs, that is what this is about. Pell grants; trying to get people out there to climb that ladder of opportunity, give them a ladder up, not a safety net to catch them when they fall off the bottom, but a ladder up.

That is what this amendment is about. This is the most solid investment we can make in the future of this country, to make sure that our people are healthy, well educated, to make sure we put a decent amount of money into prevention rather than patching, and fixing, and mending, and spending later on.

If I have one complaint against Gramm-Rudman-Hollings, that is just it. Look at the deficit. The deficit has doubled since Gramm-Rudman-Hollings came into law. So much for that budget fix. It ought to be thrown out. We are going to have a chance to vote on it again because of the recession. We voted twice on it this year and we will vote on it again. I think within the next month we will be voting on it.

We need a new system. We need to recognize new realities. We need to recognize that putting some money into prevention, as this amendment does, is going to save us a lot of money later on down the line. I really do not think that 0.58 percent is going to trash an agreement, decimate our military, or take away our leadership in the world community. In fact, I think this amendment will help to shore up our leadership position in the world.

So that is really the crux of the amendment before us. That is really what Senators have to decide. It is their choice. I spoke earlier about using common sense. I still mean it. Just use common sense. If you want to continue to spend all this money to defend Europe, and the Soviet Union, or whatever it is called, then go ahead and vote not to waive the Budget Act. But if you believe, as I think most Americans do believe now, that we can take a little bit of that funding, 0.58 percent, and use it to meet some of these needs to educate our kids and do a little bit better research in the causes and cures of some of these diseases and illnesses, provide for Head Start Programs, and Alzheimer's research, then I think we ought to vote to waive the Budget Act. I ask unanimous consent that Senator DASCHLE be added as an original cosponsor.

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

Mr. HARKIN. I yield the floor.

Mr. GRASSLEY. Mr. President, my colleague from Iowa has proposed an amendment that raises a difficult dilemma for me and many of my colleagues.

The domestic programs that receive additional funds from this amendment are programs I have supported in the past, and continue to support.

However, we need to look at the numbers. In the programs that will receive additional funds from this amendment, most have already received significant increases from the 1991 fiscal year budget. Let's look at a few of these programs for example.

The Ryan White AIDS program has an increase of $69 million over the 1991 budget. That is a whopping 31-percent increase over 1991. Now, my colleague from Iowa wants an additional $100 million for this program.

Head Start receives $250 million over the 1991 budget in the committee's proposal. That is 12.8 percent over last year. This amendment would increase that amount by an additional $900 million.

Immunization receives $60 million more than the 1991 budget, an increase of 27.7 percent over last year's budget. This amendment would increase that amount an additional $250 million.

Now Mr. President, I am supportive of providing increases to these worthy programs; however, as you can see, each of these programs already has a significant increase over last year's budget.

Just last week I visited a Head Start Program in Osceola, IA. Those people were doing great work with the funds they have received from us. I am supportive of providing an increase for the children who benefit from this vital program.

But I am also supportive of using much of the peace dividend for deficit reduction so that we can give some of the American taxpayers' hard-earned money back to them.

However, a floor amendment on an appropriations bill is not the time or place to begin determining the priorities of how to spend this important peace dividend.

We as a Congress need to sit down together to make this determination in a prudent and responsible manner.

Back in April we had a similar vote on a Bradley amendment. It would have cut the defense budget and transferred funds to domestic discretionary spending. In a vote of 73 to 22, the Senate overwhelmingly defeated this amendment on a budget point of order.

Todays vote is not a vote against Head Start, immunization programs, biomedical research, or any of the other worthy programs raised in this amendment.

This is a vote against further burdening our children's future with the Federal deficit.

The PRESIDING OFFICER. Is there further debate on the motion? If not, the question is on agreeing to the motion to waive section 601(b) of the Budget Act. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from California [Mr. CRANSTON] and the Senator from Arizona [Mr. DECONCINI], are necessarily absent.

Mr. SIMPSON. I announce that the Senator from Delaware [Mr. ROTH] is necessarily absent.

The yeas and nays resulted—yeas 28, nays 69, as follows:

[Rollcall Vote No. 182 Leg.]

YEAS—28

Adams	Hollings	Riegle
Akaka	Kennedy	Rockefeller
Baucus	Kerry	Sarbanes
Biden	Kohl	Simon
Bradley	Lautenberg	Specter
Burdick	Leahy	Wellstone
Conrad	Metzenbaum	Wirth
Daschle	Mitchell	Wofford
Harkin	Packwood	
Hatfield	Pell	

NAYS—69

Bentsen	Bumpers	Craig
Bingaman	Burns	D'Amato
Bond	Byrd	Danforth
Boren	Chafee	Dixon
Breaux	Coats	Dodd
Brown	Cochran	Dole
Bryan	Cohen	Domenici
Durenberger	Johnston	Pressler
Exon	Kassebaum	Pryor
Ford	Kasten	Reid
Fowler	Kerrey	Robb
Garn	Levin	Rudman
Glenn	Lieberman	Sanford
Gore	Lott	Sasser
Gorton	Lugar	Seymour
Graham	Mack	Shelby
Gramm	McCain	Simpson
Grassley	McConnell	Smith
Hatch	Mikulski	Stevens
Heflin	Moynihan	Symms
Helms	Murkowski	Thurmond
Inouye	Nickles	Wallop
Jeffords	Nunn	Warner

NOT VOTING—3

Cranston	DeConcini	Roth

The PRESIDING OFFICER. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. HARKIN. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Chair is prepared to rule on the point of order. The Harkin amendment would cause the domestic discretionary suballocation to the Labor-HHS Subcommittee to be exceeded. The point of order is sustained. The amendment fails.

The Senator from Iowa [Mr. HARKIN] is recognized.

AMENDMENT NO. 1084 TO EXCEPTED COMMITTEE AMENDMENT BEGINNING ON PAGE 4, LINE 2

(Purpose: To increase the amounts made available for disease control, low-income home energy assistance, Chapter I basic and concentration grants, impact aid, vocational education, supplemental educational opportunity grants, TRIO, and foreign language higher education, offset by delayed obligations)

Mr. HARKIN. I send an amendment to the desk for myself, Senator WIRTH, Senator RUDMAN, Senator KERRY, Senator BINGAMAN, Senator WOFFORD, Senator FOWLER, Senator PELL, Senator COHEN, Senator BOREN, and Senator ADAMS, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. WIRTH, Mr. RUDMAN, Mr. KERRY, Mr. BINGAMAN, Mr. WOFFORD, Mr. FOWLER, Mr. PELL, Mr. COHEN, Mr. BOREN, and Mr. ADAMS, proposes an amendment numbered 1084 to the excepted committee amendment beginning on page 4, line 2.

Mr. HARKIN. 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:

Beginning on page 4, line 2, strike all after the word "for" and insert the following: "the program year July 1, 1991, through June 30, 1992: for additional amounts as follows:

(a) In addition to amounts appropriated in this Act, there are appropriated to the Centers for Disease Control for "Disease control, research, and training", $10,000,000, which shall not become available for obligation until September 30, 1992.

(b) In addition to amounts appropriated in this Act, there are appropriated to the Administration for Children and Families for "Low Income Home Energy Assistance", $200,000,000: Provided That, notwithstanding any other provision of this Act, $405,607,000 shall become available for making payments on September 30, 1992.

(c) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Compensatory Education for the Disadvantaged", $152,000,000, which shall become available on September 30, 1992, and shall remain available through September 30, 1993, of which $138,000,000 shall be available for basic grants under section 1005 and $14,000,000 shall be available for concentration grants under section 1006 of chapter 1 of the Elementary and Secondary Education Act of 1965, as amended.

(d) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Impact Aid", for construction and renovation of school facilities under section 10 of Public Law 81-815, $2,000,000, to remain available until expended, which shall become available for obligation on September 30, 1992.

(e) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Vocational and Adult Education", $60,000,000, which shall become available on September 30, 1992 and shall remain available through September 30, 1993.

(f) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Student Financial Assistance", $62,000,000, which shall become available for Supplemental Educational Opportunity Grants, and which shall become available on September 30, 1992 and shall remain available through September 30, 1993.

(g) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Higher Education", $24,000,000, which shall become available on September 30, 1992 and shall remain available through September 30, 1993, of which $3,000,000 shall be available for carrying out section 602(a) of the Higher Education Act of 1965 and $1,000,000 shall be available for carrying out section 604 of the Act, and $20,000,000 shall be available for carrying out title IV, part A, subpart 4 of the Act: *Provided*, That, notwithstanding any other provision of this Act, of the amounts made available in title II for the Health Resources and Services Administration, "Health Resources and Services", $86,000,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for Centers for Disease Control, "Disease Control, Research, and Training", $94,000,000 shall not become available for obligation until September 30, 1992 but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Cancer Institute", an additional $63,446,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National

Heart, Lung and Blood Institute", $54,555,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Dental Research", $7,903,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Diabetes and Digestive and Kidney Diseases", $28,457,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Neurological Disorders and Stroke", $27,357,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Allergy and Infectious Diseases", $45,627,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of General Medical Sciences" $48,104,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Child Health and Human Development", $27,368,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Eye Institute", $12,504,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Environmental Health Services", $8,846,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute on Aging", $16,308,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Arthritis and Musculoskeletal and Skin Diseases", $7,593,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute on Deafness and Other Communication Disorders", $7,486,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Center for Research Resources", $15,000,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Center for Nursing Research", $2,646,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Center for Human Genome Research", $10,000,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "John E. Fogarty International Center", $800,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Library of Medicine", $3,500,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "Office of the Director", $12,500,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992.

Mr. HARKIN. Mr. President, under the direction of the majority leader, we laid down this amendment. We will not debate it tonight or vote on it. There are a lot of cosponsors. A lot of people want to speak on it, and it will be the first matter of business when the Senate reconvenes tomorrow morning and we go into session on this bill.

I yield the floor.

Mr. COHEN. Mr. President, I want to express my strong support for the amendment offered by my colleague from Colorado, Senator WIRTH, which includes a proposal made by my good friend from New Hampshire, Senator RUDMAN, to restore funding for the Low-Income Home Energy Assistance Program [LIHEAP]. I also want to express my appreciation to the chairman of the subcommittee, Senator HARKIN, for his willingness to endorse this proposal.

I am very concerned about the funding levels for fuel assistance that are contained in the bill before us today, and I believe the Wirth/Rudman amendment is essential to ensuring that there will be adequate funding for this important program this year. We must help the elderly and poor to pay their energy bills this winter.

The committee's recommendation would have effectively reduced the amount of funds allotted to each State to cover the coming cold season—the winter of 1991–92—by 50 percent. While $440 million would be made available to the States on September 30, 1992, that amount comes too late to help the poor and elderly pay for their winter heating bills.

The committee's proposal would have forced States like Maine, which now allots about $240 each to 60,000 households for the entire winter, to cut those benefits in half. I want all my colleagues to think about the hardships that must be endured when individuals on fixed incomes must pay $1,000 during the winter just to stay warm. Two hundred and forty dollars is but a small amount to help offset those costs, but less than that is simply outrageous.

What about food? What about medicine? Do these have to become luxury items because of reductions in fuel assistance benefits?

This summer, I received many letters from Maine residents concerned about the effect of cuts in fuel assistance on their ability to pay their heating bills. I would like to read from one of those letters to illustrate the importance of this program to elderly and poor citizens.

The letter reads:

> To our Senator: The last two years I have received fuel aid as my income does not reach the $6000 figure. I am a widow trying to maintain my mobile home, and the assistance has been a big help to me. I receive $460 a month S.S. * * * I also have been diagnosed with symptoms of Parkinson's, and my medication costs me $106.09 a month, for which I get no reimbursement. * * * I cannot understand * * * cutting back on programs which help the less fortunate.

This letter is fairly representative of the type of individuals receiving fuel assistance. Any reduction in funding hurts them immeasurably.

When we agreed to deregulate oil and gas prices in 1981, we promised to maintain adequate assistance to those who cannot afford the higher cost of energy that might result from decontrol. In the past two heating seasons, we have witnessed price increases of an unprecedented amount and they resulted in the imposition of serious hardships for many citizens in cold States. While it is difficult to predict just what energy prices will be this winter, the chance certainly exists that prices may go up.

In addition, citizens in Maine and many other States are suffering heavily from the current recession. This has caused applications for fuel assistance to rise by 13 percent in Maine, with some counties reporting increases of 20 percent or more. It is possible that, with the States still locked in the grips of the economic downturn, the number of poor and elderly filing for assistance will continue to rise.

The amendment before us now will help address the needs of these individuals and families. I urge my colleagues to show some compassion, and increase the funding levels for LIHEAP as proposed by Senators WORTH and RUDMAN.

This amendment also directs needed resources to critical education programs, and confirms education's place as a high priority for the Congress. The President has also been instrumental in keeping education in the national spotlight, and just last week he visited two schools in Lewiston, ME, to promote his America 2000 education strategy. A key part of his strategy requires the participation and commitment of

parents, communities, and businesses in improving the education of our children. While this commitment is essential, these proposals need to be backed up with real dollars. In States such as Maine, where State and local budget restrictions have led to a decrease in education funding in some areas, the additional $300 million in federal funding will ease some of the burden on States and local school districts and help support several proven programs.

An additional $152 million for chapter I will maintain the progress of this tried-and-true program, which has enhanced the education of so many disadvantaged children. An additional $20 million is provided for TRIO programs, which assist youth from low-income families prepare for college or other postsecondary education, and which have proved highly successful in Maine. I am also pleased that the amendment provides for increases in funding for impact aid and vocational education, which I have long supported.

The Wirth amendment will also provide an additional $10 million for childhood immunizations.

As noted author and physician Dr. Michael Crichton has observed, "the future of medicine lies not in treating illness, but in preventing it."

Childhood immunizations are perhaps the most cost-effective, preventive health services available today, saving millions of health care dollars each year. Unfortunately, in the past decade, funding for public immunization programs has not kept pace with the cost of providing these services for children. As a consequence, many preschool children in the United States—particularly poor children in inner-city and rural areas—are not receiving timely immunizations.

In recent years there has been an alarming increase in serious measles outbreaks—a disease we expected to eradicate by the mid-1980's. Nearly 27,000 cases of measles, including 60 deaths, were documented last year in the United States—18 times the number reported in 1983.

This is an intolerable situation. Enactment of the Wirth amendment will help to ensure that all children have access to immunizations to guard against new outbreaks of measles and other vaccine-preventable diseases.

I am pleased to be a cosponsor of this amendment which would benefit the health and well-being of so many Americans, both young and old. I urge my colleagues to join me in supporting this amendment.

Mr. SPECTER. Mr. President, I join the distinguished Senator from Iowa, the chairman of the subcommittee, in supporting the Labor-HHS and Education bill that is before us today. This has been a very difficult bill, because our allocation was insufficient to provide adequate increases to meet all of the funding needs. I want to take this opportunity to thank the distinguished Senator from Iowa for his cooperation and hard work in putting together this very comprehensive bill.

Mr. President, while this is referred to as the fiscal year 1992 appropriations bill, I consider that a gross understatement. The underpinnings of this bill reflect one of this Nation's oldest and most basic tenets—that the Federal Government bears some responsibility when economic or social circumstances impose special barriers on our citizens. This bill adds practical application to some of the words used by our forefathers—words like freedom, security, and opportunity. Calling this an annual appropriations bill also belies the fact that in this bill we are not just addressing the needs of the next fiscal year or the next school year, but also of the next decade and of the next generation.

The bill before us totals more than $203.2 billion, including $58.3 billion in discretionary spending, and provides funding for a range of education, human services, and employment and training programs. I would like to highlight a few years which are of particular importance to me and the Commonwealth of Pennsylvania.

BIOMEDICAL RESEARCH

Over the past decades, this country has made impressive strides in its search for knowledge to combat disease. But there is still much more we need to know. So while we must grapple with some very difficult budget choices, we must be careful not to relax our efforts to address diseases that threaten our society.

This bill contains $8.9 billion for the National Institutes of Health, an increase of $628 million above the fiscal year 1991 appropriation. This increase will continue the important research being done to help find the causes and treatments for diseases such as cancer, heart, and Gaucher's and intensify the search for the diabetes genes.

ALZHEIMER'S RESEARCH

Last year, Mr. President, Alzheimer's disease drained approximately $90 billion out of our economy. This is an insidious disease that robs its victims of their minds while depriving families of the well-being and security they deserve. Our only hope for ending this needless suffering before it destroys future generations is to find a way to cure or prevent Alzheimer's. To address this problem, the bill contains $272 million for research into finding the cause and cure for Alzheimer's disease, including $5 million for a new State grant program to help families caring for Alzheimer's patients at home.

AIDS

This bill contains $1.9 billion for research, education, prevention, and services to combat the scourge of AIDS including $122 million for emergency aid to the 18 cities hardest hit by this disease. This represents an integral part of the overall Federal commitment which totals an estimated $4.3 billion.

Mr. President, I want to alert my colleagues to the fact that pediatric AIDS is now the ninth leading cause of death among children 1 to 4 years old. Because of their unique vulnerabilities, infants suffering from AIDS require special tailored approaches for treatment, prevention, and care. For this reason, this bill contains $211.6 million for new and expanded clinical trials and new approaches for helping the most vulnerable victims of this terrible disease.

EDUCATION

Mr. President, our goals must be to establish a new standard of excellence in education—and to make that educational standard available to anyone who is willing and able to pursue it. Granted, these are high ambitions. Unfortunately, because of very severe budget constraints, this bill does not contain all of the funds I would like to have seen spent on achieving the education goals set by the President and the Governors at the Charlottesville summit. However, it is a start. The bill provides $27.1 billion for education programs, including $100 million to launch the America 2000 initiative. Also included is $1.3 billion for vocational and adult education programs, and $6.9 billion for aid to students to pursue a higher education.

Also included in the bill, Mr. President, is $3 million for operation of adult education programs to increase the literacy skills of commercial truck drivers. These skills are necessary so that truckers can successfully complete the requirements of the Commercial Motor Vehicle Safety Act of 1986.

PRISON EDUCATION

It is my belief, Mr. President, that criminal offenders, especially juvenile and first and second offenders, should be given a chance at rehabilitation and gainful employment. That chance can only come through education. Therefore, Mr. President, we have again this year included $2 million to continue the literacy demonstration program in State corrections facilities. This program will help prepare prisoners to find gainful employment upon their return to society.

JOB TRAINING

In this Nation, Mr. President, we know all too well that high unemployment means a waste of valuable human resources, inevitably depresses consumer spending, and weakens our economy. The bill before us today includes $4.2 billion for job training programs. This $124 million increase over the fiscal year 1991 level will help improve job skills and readjustment services for disadvantaged youth and adults.

DRUG PROGRAMS

Drug abuse in this country continues to plague every segment of our population. The $3.1 billion recommended by the committee will go a long way to help battle this problem by targeting funding increases for research into finding the cause of drug addiction, education programs to prevent drug abuse, and treatment for those who have already become dependent. The $180 million increase will bring this Nation closer to the goals of a drug-free generation and a drug-free society.

LIHEAP

At the top of the list of programs that benefit low-income residents of the Commonwealth of Pennsylvania is the Low-Income Home Energy Assistance Program. This program provides grants to States to deliver critical assistance to low-income households struggling to meet the growing costs of heating and cooling their homes. Funded in fiscal year 1991 at $1.6 billion, the President's budget proposed an appropriation of $925 million, a cut of over $600 million. The House bill recommends a level just slightly higher than the President, $1.0 billion.

Cuts of this magnitude cannot be absorbed by the States. More importantly, these cuts cannot be absorbed by the households that have come to depend on this assistance. The average program participant in Philadelphia, for example, expends nearly 40 percent of their income on utility services. Over half of the LIHEAP recipients in the Commonwealth of Pennsylvania have incomes of less than $7,000. Estimates are that under the levels proposed by the President and the House, 110,000 eligible Pennsylvania households will not receive assistance.

Although the bill before the Senate recommends $1.3 billion for the Low-Income Home Energy Assistance Program, I am deeply concerned that this still means a cut of $300 million below the fiscal year 1991 program level. I had hoped that we would not have to be in this predicament. Back in June, when the Committee on Appropriations met to consider subcommittee funding allocations, I proposed an amendment to raise the Labor, HHS and Education Subcommittee's allocation by $2.7 billion. Had this amendment passed, it would have enabled a funding recommendation for LIHEAP at or above the fiscal year 1991 appropriation, as well as needed addition to many items of appropriation in this bill.

MENTAL HEALTH

Finally, Mr. President, this bill provides $658.9 million for programs supporting research and treatments for the mentally ill. In this country, 30 million adults and 8.1 million children suffer from mental disorders; one in five Americans will experience a form of mental illness at some point in their lifetime. The $43.1 million increase provided over the current funding will continue important research to identify genes linked to schizophrenia and manic depression, as well as discover effective new drug treatments and new opportunities for early detection and management to combat mental disorders.

In closing, Mr. President, I again want to thank Senator HARKIN and his staff and my able staff and the other Senators and their staffs on the subcommittee for their cooperation in a very tough budget year.

BREAST CANCER CHALLENGE OF 1991

Mr. ADAMS. Mr. President, on June 11, 1991, a bipartisan coalition of Senators and Representatives of Congress issued the Breast Cancer Challenge of 1991.

The Breast Cancer Challenge called upon the National Cancer Institute and the medical community to join Congress in a pledge to win the fight against breast cancer by the year 2000. The Congressional Caucus for Women's Issues, together with Senators MIKULSKI, HARKIN, KENNEDY, and DURENBERGER pledged to work with the National Cancer Institute, breast cancer advocacy groups, national health organizations, and constituents on a collaborative effort to end the breast cancer epidemic. More than 40 health organizations endorsed the challenge, including the Centers for Disease Control, the American Cancer Society, the Breast Cancer Coalition, the Susan G. Komen Foundation, and the National Coalition for Cancer Research. Dr. Samuel Broder, director of the National Cancer Institute accepted the Breast Cancer Challenge on behalf of the Institute. The challenge, Mr. President, brings breast cancer the national attention it deserves.

The Breast Cancer Challenge reiterates the goal the National Cancer Institute set for itself in 1984 to cut the cancer death rate in half by the end of this century. Nine years remain before we reach the end of this century; 9 years between now and the deadline the National Cancer Institute set for itself to understand this deadly disease and to find a cure for it. The Breast Cancer Challenge set out five goals to meet by the year 2000:

To understand the causes and to find a cure for breast cancer;

To reduce the incidence rate of breast cancer significantly;

To reduce the mortality rate of breast cancer by 50 percent;

To ensure that all women over the age of 40 get regular mammograms; and

To ensure that all mammograms are of the highest quality.

Breast cancer profoundly affects all our lives. It is shocking that the mortality rate for breast cancer has not decreased since the 1930's. The incidence rates have skyrocketed, increasing more than 33 percent in the last 10 years. In fact more women are being diagnosed with breast cancer today than at any other time. One in nine women is diagnosed with breast cancer today. In 1991 we will see 175,000 new cases of female breast cancer diagnosed and 44,000 women die from the disease. A new case of breast cancer will be diagnosed every 3 minutes and every 12 minutes a woman will die of breast cancer. For older women the risk of getting breast cancer is even higher—two-thirds of all breast cancer cases occur in women who are over 50 years of age. The challenge brings needed national, Federal, professional, and public attention to the growing breast cancer epidemic.

The Congress, Mr. President, is committed to making breast cancer a top legislative priority. As a reflection of its grave concern and its desire to act swiftly and effectively, the Senate, with the adoption of this bill, has provided over $182 million toward meeting the goals of the challenge. Of this total, $132 million will be to fund breast cancer research and $50 million for the mammography screening program for low-income women through the Centers for Disease Control. I would like to point out, Mr. President, that the funding level for breast cancer research for fiscal year 1992 represents an increase of $30 million in Federal funding over the President's request and $42 million more than last year. This is a significant increase and will allow NCI to increase funding for basic breast cancer research by $20 million in its effort to understand the cause and find a cure for this devastating disease and provide $10 million through its grant program to establish six breast cancer research centers. These centers are intended to encourage cutting-edge research, the speedy transfer of basic scientific studies into clinical medicine, and to attact new researchers into the field. They will help move promising treatments which appear on the horizon from the laboratory to the patient.

In addition, the bill includes $50 million to fund the Breast and Cervical Cancer Mortality Prevention Act, $20 million over last year. This money will provide screening services to low-income women and will help reduce signficantly, deaths from breast cancer through early detection. CDC estimates that through early detection we could save 30 percent of the lives of women who get breast cancer. Our goal, Mr. President, is to have a screening program in every State.

Yet we cannot rest on our laurels. There still remains far more to be done. We have paid too little attention to the quality of mammography. Safe and accurate mammograms depend on highly qualified personnel, excellent equipment and regular quality assurance and control inspection. But there are fewer than four full-time employees at the Food and Drug Administra-

tion to handle the more than 10,000 mammography machines in the United States.

Mr. President, women and their families across the country have spoken clearly to us that fighting breast cancer must be a top priority in Congress and our Nation. I believe this appropriations bill sends a strong message to women across America that we have taken up their challenge.

There are many groups who helped in this effort I would like to thank, and I've included a list of all the organizations who have supported the Breast Cancer Challenge. I would also like to mention jut a few individuals who personally dedicated their time and hearts to this challenge: Senator TOM HARKIN, without whose support this victory would not be possible; Senator BARBARA MIKULSKI who introduced the screening bill last year; Representatives PAT SCHROEDER and OLYMPIA SNOWE who pioneered the Women's Health Equity Act that includes several critical breast cancer bills; Representative MARY ROSE OAKAR, who has long been a champion in the fight against breast cancer; Joanne Howes, Amy Langer, Susan Love, Mary Dale Debor, Kanthi Abeyrantne, Nancy Brinker, Zora Brown, Susan Everly, Sarah Singer, Senator Birch Bahy, Tom Connerton, Marguerite Donoghue, Terry Lierman, and Dennis Slamon who have all made an extraordinary contribution to this effort. Thank you for your help.

I look forward to the day when we can say we have cured breast cancer.

INCREASE IN DOMESTIC VIOLENCE PREVENTION BUDGET IN H.R. 2707

Mr. BOND. Mr. President, I would like to add my support to the efforts of the Senator from Nevada to increase funding for the Family Violence Prevention and Services Act. The Senator has been a great champion of victims of crime, including domestic crime, and I am happy to join him in this effort. I, too, have called for an increase in the family violence and prevention services budget through my "families in need" legislation.

As has been pointed out, an estimated 3 million women are battered by their spouses or boyfriends in this country every year. This extraordinary statistic is compounded when one considers the connection between wife abuse and child abuse—the violence often extends throughout the family, with both wife and children being battered. In fact, a Boston Children's Hospital study has shown that in 90 percent of the child abuse cases they see, the mother is also being abused.

While the Federal Government has provided support to womens' shelters and other services through the Family Violence Prevention and Services Act since 1984, the bulk of funding for these programs has come from States, localities, and private donations. While I agree that funding for these programs should continue to be broad-based and that most of it should come from State and local communities, certainly the Federal Government can offer more than a measly $10.7 million to help meet the needs of so many women and children.

In my own State of Missouri very little is offered in the way of shelter for women needing to escape their batterers, particularly in rural areas. The Missouri Coalition Against Domestic Violence reports that over 32,000 crisis calls were received last year from women and children in abusive situations, yet in the entire State there are only 359 beds for battered women and their children. The nearly $5 million needed to operate the 19 shelters across the State was raised almost entirely in local communities, with no funding provided by the State of Missouri and only $138,000 from the Federal Government. I suspect the situation is similar in many other States.

I am pleased that the committee has agreed to increase the budget for the Family Violence Prevention and Services Act by nearly 100 percent. This new money will show the thousands of women and children constituents in all of our States who are victims of family violence that we are finally focusing attention on this pervasive, ugly problem. A doubling of the Family Violence Prevention and Services Act budget will certainly not meet the tremendous need out there, but it will give hope to many women and children and will help us to face up to a very real problem that is too often ignored.

Mr. PELL. Mr. President, I speak as a cosponsor of the Harkin-Wirth amendment. We often hear our colleagues in this Chamber speak of their concern for educational improvement and equity. The Wirth amendment is the test of that commitment.

The Harkin-Wirth amendment would provide $300 million additional dollars for critical education programs. It would mean an increase of $150 million for chapter 1, providing compensatory education to an additional 150,000 students. With respect to higher education, it would provide close to a $100 million increase for the TRIO and the SEOG programs. And, it would provide $60 million in additional assistance for the Vocational Education Program, thereby providing the necessary muscle to carry out the requirements of the newly enacted Carl D. Perkins Reauthorization Act.

Of greater significance, it would mean close to $1 million in additional assistance to Rhode Island at a time when many school districts in our State find themselves in severe financial straits.

Mr. President, at no time in our history has the press for educational reform and improvement been greater. The work of the National Goals Panel and the SCANS Commission calls upon our schools to meet higher educational standards. But that can only be accomplished if adequate resources are provided to achieve that objective.

The Harkin-Wirth amendment makes real our commitment to provide for this Nation's future through the education of our children. Laying the foundation today will give form to the prosperity and economic health of tomorrow.

In addition, this amendment package contains an increase in funding for the Low-Income Heat and Energy Assistance Program [LIHEAP]. With this amendment, the LIHEAP program will be funded at $1.5 billion for fiscal year 1992, a $500 million increase over the House approved level. This funding will provide crucial assistance to thousands of the neediest Rhode Islanders, many of whom are elderly individuals on fixed incomes, so that they will be able to heat their homes this winter.

I strongly support this amendment, and urge my colleagues to vote in favor.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for morning business with Members permitted to speak therein for not to exceed 5 minutes each.

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

The PRESIDING OFFICER. The Chair recognizes the minority leader, Senator DOLE.

RETURN OF SENATOR PRYOR

Mr. DOLE. Mr. President, it is a pleasure to speak for all members on the Republican side of the aisle in welcoming back our friend and colleague, Senator DAVID PRYOR.

It has been my pleasure to serve with Senator PRYOR for the past 12 years, and I know that his dedication and commitment to Arkansas and America is second to none.

Conference Secretary, chairman of the Special Committee on Aging, the second ranking Democrat on the Agriculture Committee, member of the Finance Committee, member of the Ethics Committee, few Senators took on more work than Senator PRYOR. And his leadership and eloquence were very much missed in each of these roles during his recovery.

Mr. President, I would recommend that all my colleagues read an outstanding article by Senator PRYOR published in the August issue of Arkansas Times magazine.

In this article, Senator PRYOR tells the compelling details of his heart attack, and the inspiring story of his courageous recovery.

In the final paragraph of his article, Senator PRYOR shared some words that

he wrote to Members of the Senate this past June. Senator PRYOR advised us all, and I quote:

To reach out and touch your family. Gather them around you. Find strength in your real friends who care. Take some time for yourself, by yourself. Only when life is nearly taken away do we realize how fragile it is and come to know the value of our friends.

As the Senate gears up for a very busy and challenging couple of months, it is more important than ever that we take these words to heart.

Mr. President, I ask unanimous consent to print in the RECORD Senator PRYOR's article.

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

HEART ATTACK: A SURVIVOR'S STORY

I will always remember that Monday night—not as the night I almost died, but the night that, for some reason, my life was spared. Unlike many others, I was given another chance.

Heart attacks were for someone else to have, not me. I had a total disinterest in the subject; I didn't have time for a heart attack. Besides, after each physical, I skipped out of the doctor's office as the man who kept defying his age and lifestyle—great blood pressure, a swimmer's heart rate, and strong lungs.

Yes, all of this in spite of greasy cheeseburgers, French fries, 17 tons of salt, and many more than that "occasional smoke." Add in the 56 years multiplied by tension, stress, airplanes, and schedules, and even a dolt should have known that David Pryor was a prime candidate for the mother of all heart attacks.

I would sit in the Senate dining room in amused silence as my colleagues compared their cholesterol numbers. I didn't even know mine, nor was I curious. Heart attacks were for others, not me.

It was Monday, April 15—a light day at the office. The Senate was not in session, none of my committees was meeting. It was a good day to catch up, clean off my desk, make sure everything was mailed to the IRS, meet with the staff, and be briefed for the Tuesday schedule. The Arkansas Homebuilders Association would be in town. The Harrison ninth-grade class was scheduled to be on the Capitol steps for a photograph. Dr. George Haas from Little Rock was coming up to discuss optometry issues. The Finance Committee would meet at 10. The weekly luncheon with members of the Senate Democratic Conference was on the schedule. Tomorrow would be busy and long.

I was home by 7 p.m., put on comfortable clothes, and watched the news. By 8 o'clock, I was walking up Connecticut Avenue headed to a favorite neighborhood eatery.

I wolfed down a big plate of spaghetti and meatballs, skimmed a folder on the Finance Committee hearings for Tuesday, read the current issue of Golf Digest, and was home in bed by 10:30. Barbara was in Thailand with a group of Senate wives and my house was a tomb of silence. I downed my cherry-flavored Rolaids, turned off the TV, and went to sleep wondering how Dick Darman, the president's budget director, would answer my questions about the exploding cost of prescription drugs.

Little did I know that within three hours, my life would change.

The next time I saw the sun, its rays seeped through the small window into my room in the cardiac unit of George Washington University Hospital.

I now found myself in a strange place, surrounded by people in white coats I had never seen before. My forearms were blue-black, bruised from needles and trauma. My veins were punctured and ravaged. Above my bed to the right was a stand holding a bag of glucose dripping into my vein. To my left, a heart monitor was being hooked up to electrodes stuck to my chest.

A woman doctor sat on my bed, saying nothing, squinting across my body to the screen that showed the image of my heart via ultra-sound. In the corner were nameless people speaking in hushed tones about "prepping" me for tests downstairs. An orderly was clasping a plastic ID band on my left wrist. Equipment, wires, cords, monitors, graphs, and electronic technology consumed the small room.

Had I been run over during the night? Had I jumped from the Washington Monument? It has been a hard, hard night of pain and fear.

I kept thinking that the phrase "rode hard and put up wet" described me at that moment. A barely audible knock on my door. The face of an ancient little lady, a hospital volunteer, appeared and asked, "Would you like your TV hooked up? It's only $3.75 a day."

It's a little eerie what goes through the human mind at these times. I kept remembering our family pew at the old Presbyterian Church in Camden. I was 14 and Jac Ruffin was our minister. He had been educated in Scotland and spoke with an elegant brogue, flawless diction and elocution:

"This is the age of the half-read page/The mad dash, the quick hash/The short hop and the brief stop/Until the spring snaps and the fun's done."

I didn't even have a comb, much less a toothbrush. Could someone get me some coffee? Well, OK, what about a glass of water? What happens when I need to go to the bathroom? Had they reached Barbara yet? How is she ever going to get from Thailand to Washington? What about my middle son, Mark—did someone call him? Oh, Lord, in a few minutes, those 60 Harrison ninth-graders will be on the Capitol steps. Did I lock the house last night? Where are my shoes? Did I bring a billfold? Oh, please, God, I pray I have insurance for all this.

It was morning and I had made it. What a night it had been.

"Good Morning, Senator Pryor, I'm Dr. Varghese of the cardiac department. Let me introduce my colleagues. Drs. Herzog and Reimer. We will be your team during your stay at George Washington. You've had a heart attack. Could you sign this form? We need to take you downstairs to the Cath Lab. We will insert a catheter in your groin, push it up, and take a better look at your heart. You will be conscious during the whole procedure."

The room downstairs for the catheter procedures was vast. I remember its being very cold and during the procedure asking for extra blankets. Two nurses, two doctors, and me. All of us were glued to a huge TV-type screen watching the small wire-like apparatus move into the heart zone. It was hard to imagine this was my heart and my body being invaded by the catheter.

In almost an unknown tongue, the doctors interpreted to each other what they were seeing. It was like watching CNN back in January to see the previous day's battle damage assessments in the Persian Gulf.

Within an hour, I was being rolled back upstairs. The small waiting room was now filled to capacity. Staff. Old friends.

Waiting in my room were Dale Bumpers and Mary Hope Davis, his administrative assistant. Dale canceled his entire schedule for the day and never left the hospital. He stayed with me. He was a great source of strength for all of us, but especially for me. At one time, I had to demand that he leave my room, as he kept telling a litany of absurd stories and it hurt to laugh. The one that finally got me was about a poor fellow with no ears trying to get a job. I can't remember the punch line.

The flowers started coming. Telegrams. Did we want a phone hooked up in the room? President Bush called while I was in the Cath Lab. He'll call back in an hour when he finishes a speech. Where do we put all these baskets of fruit? "CNN just carried a big story about your attack," said a nurse passing by.

It was all unreal. It was a dream. This wasn't me. Beryl and Sheila Anthony. Ray and Betty Thornton. Bill Alexander—they all came and left, but I know they were there. John Paul Hammerschmidt called twice. I knew they cared. Dr. Halverson, the Senate chaplain, came to my beside that day and every day I was hospitalized.

Somebody in my office told me one day about a Sense of the Senate resolution sponsored by Dale Bumpers the night before. It stated that the Senate hoped David Pryor would get well and make an early return to the floor. My staffer joked that it had only passed by a 51-to-49 vote.

One morning as I woke up a Senate colleague was sitting only inches from my face. When he saw that I was awake he lit up and said, "For years now, my daughter has begged me to take her fishing. I've always put her off. I don't know the first thing about fishing. But when I heard what had happened to you, I called her up and said, 'Let's go—today.'"

My mind tried to reconstruct the night before. I had jolted upward in bed and looked at the clock—1:45 a.m. I was lying in a pool of perspiration, soaked from head to toe. My upper chest did not feel sharp pain, but something better described as massive discomfort. Could it be indigestion? Did I really eat a live porcupine?

Within minutes of lying in that totally dark room trying to decide the next move, the intensity of pain increased. I've got to stand up. I'm getting light-headed. I grabbed a pair of red warm-ups from the chair. I fumbled for a golf shirt and started downstairs.

As I reached the bottom step, I knew. Rolaids and fresh air wouldn't help. I knew I was having a heart attack. Me, of all people. Alone. By myself.

Walking into the den, I reached for the phone and punched "9-1-1," remembering the recent horror stories in The Washington Post about ambulances arriving too late with crews not knowing what to do.

"My name is David Pryor. I live at 1615 19th Street. I'm having a heart attack and I need help. Please hurry."

I walked out the front door to wait. I sat down on the curb between two cars. What happens if the ambulance driver doesn't see me and drives right by the house? My chest tightened. My rib cage became a vise. I was losing consciousness. I stood up and spotted a white '72 or '73 Ford—one of those that had a long, wide hood. This one looked like a white aircraft carrier in the dead of night. I climbed up on that hood and laid down. I remember it was wet and the cool dew of the April night felt good to a body being wracked with pain.

I don't remember that an ambulance and a firetruck came, but I do remember being

helped onto a stretcher. Inside, the ambulance had very bright lights; its siren sounded as if it were far off in the distance as we raced against time to the hospital.

My face was immediately covered with an oxygen mask and the woman attendant inside asked me, "From one to 10, how much pain are you having?"

I held up 10 fingers.

I have no recollection of arriving at the emergency room, but I have a most vivid memory of eventually looking up into a dozen unknown faces who had assumed total control of my body and being. They were all too young.

"Breathe-breathe-breathe," chanted the ER team.

"Give him more oxygen."

"Are you allergic to any drugs? What about morphine?"

"Are you really a senator? What state are you from?"

"How do we reach your wife—what about your staff?"

In the background, someone said, "We've got to find the next of kin."

"You've had a heart attack, Senator. We're trying to get you stabilized."

People everywhere. Chaos. For over two hours I was in and out of a subliminal state.

"Am I going to make it?"

"You're doing better. You're doing better."

"Senator, President Reagan was on this same bed 10 years ago. Mr. Brady was right next to him beyond that curtain," said a young doctor who probably was in high school when Ronald Reagan was shot.

At one point, I had a strange sensation I'll never forget. I felt like an automobile tire being blown up to the point of bursting. I knew I was going to explode. Am I dying? Or have I died? Is this what death is all about? Don't I have some say in all of this? Things were moving too fast for me to follow. I couldn't comprehend it.

The clock on the emergency room wall now said 4:30. For nearly three hours I had been flat on my back—jabbed, hit, shocked, monitored, and gouged. In the outer room, I could now see Don Harrell and Leslie Chalmers from the staff, Bob Bean from the staff of the Senate Sergeant at Arms, and my sons David Jr. and Scott had just come in.

Things were going better—I could sense it. I was going to be all right.

An hour later, the ER doctor said, "We're getting ready to move you upstairs to the cardiac unit. Do what they tell you."

Soon, as I was being rolled past my sons and staff, I looked at Don Harrell and said, "Don, I've had a heart attack. Let's don't tell anyone. Keep it off the record." Fortunately, he had the good sense to ignore that request.

Six nights after my attack, I had done well in recovery and progress was promising. Barbara had returned on Wednesday and now our three sons were together with us. Never had we all been closer. Nor could two parents ever be more proud of their children than we were of David, Mark, and Scott. We found ourselves in that crucial passage in life when, for the first time, the children begin to assume responsibility for their parents. Jim Lehrer, co-anchor of PBS' "MacNeil-Lehrer Report" and a longtime friend, had not missed a day visiting me in the hospital. Eight years ago, he had had his heart attack. An overflow of friends and flowers. Mail came in sacks from wonderful and caring people. I was a blessed man.

While doctors were pleased with my progress, they had been considering whether to perform a routine procedure to remove some remaining blockage. Even though such procedures are routine, doctors would rather not perform them unless they are necessary. Very late on Sunday night, my heart decided the matter for us. I awoke with a severe pain in my lower intestine. Its intensity alarmed me and had me ringing for the nurse. When she came into the room, she sensed I was in trouble. For an hour, a doctor and nurse studied blood and monitors. After medication and sleep, the early morning hours brought in my "A Team" of doctors who had studied the charts of the night before.

"Senator, again, we're going to take you down to the Cath Lab in two hours. Again, we're going into your groin with a catheter and go up to your heart. The process is an angioplasty, better known as 'the balloon.' You will be awake during the procedure, which takes a little over an hour."

Dr. Alan Ross headed up the team. Only a week later, he would be one of three cardiologists to see and consult President Bush after his cardiac episode at Camp David.

Again, I lay in the lab and watched a catheter move from my groin into my heart. After some 45 minutes, Dr. Ross said, "Watch the screen closely. Keep your eye on the end of the catheter. We're about to insert it in this closed artery, blow up the balloon and open it up."

Science fiction. Dr. Strangelove. It worked; Ross and team loved it and gave a big cheer. It was like sinking the 60-foot putt to win the Masters.

Within an hour, Alan Ross was in my room with before-and-after photos. It was the great unclogging. Yes, there was still some blockage, but that little magic pump was working just fine again.

The following Friday, I got to go home. Leaving George Washington Hospital was emotional, since the cementing of bonds had brought me close to a hundred people who had touched my life. Most were lined up there when my wheelchair was pushed into the elevator. I was told early on that heart attack victims can get emotional during their recovery period. I learned that I was no exception.

Our small house on 19th Street was almost floor-to-ceiling in flowers, food, books, and mail. For the first time in almost two weeks, I was unhooked from heart monitors and seemed to be free-floating on my own. No longer could I look up and see the activity of my heart on the screen. I felt vulnerable to everything around me. It was an awesome and frightening experience.

For 10 days, I had a routine of reading mail and newspapers and talking on the telephone. Senators and friends would come by during the mornings. My longtime friend Nick Kotz brought me a beautiful pair of Nikes. Jim Lehrer continued to come each day. He would do his newscast and come later in the evenings. We knew, because he had been there before, that nights were hardest for those who had survived heart attacks. For weeks after leaving the hospital, I had a certain dread of the nights to come—and I always welcomed the sounds and feelings of early mornings. Jim became my rock. At any time or circumstance, he knew where I was coming from.

Hearts can play tricks on us. After 10 days of being home, I chose Dr. Oscar Mann to become the "captain" of my Washington medical team. An internist and cardiologist, he practiced at Georgetown University Hospital. He has a superior reputation. He also is a warm and caring person.

Barbara and I were to meet Dr. Mann in his office at 11 a.m. Monday. It was to be my first trip out of the house and I was excited. Ten minutes into our initial visit with Dr. Mann, I started experiencing mild chest pain.

"How do you feel, as we now speak at this moment? What's going on?"

"I'm having pain, not nearly so severe, but very reminiscent of my heart attack."

With no hesitation, he picked up his phone and told his secretary to advise Georgetown University Hospital that they were about to have a new patient—a David Pryor from Arkansas. Barbara sped me to the hospital in minutes.

Again, monitors, blood, urine, questions, EKG—the whole works. That afternoon was my most despondent period during the weeks since my attack. I started believing there was something I was not being told. Was it going to be this way for the rest of my life? Was I ever going to be able to breathe freely? Was I to be a constant prisoner chained to a heart monitor?

I had not, according to a battery of tests, enzyme courts, and assurances, had another heart attack—only a spasm. My progress has been steady and sure ever since.

I can now be found at the grocery store reading labels and checking products for fat content. The hospital nutritionist assured me, during our first counseling sessions, that I would not have to give up steak entirely. I had just explained that I could do without smoking cigarettes; I could make it fine with no cream or other high-fat foods. But not steak. I would have to eat a steak now and then. "Sure," she said. "That's no problem."

"How often can I have it, then?" I asked.

"Oh, probably two times a year."

Well, so much for steak.

I'm religious (but not fanatical) about early-morning walks and pray I'll never smoke another cigarette. Before my attack, I knew they were bad for your lungs, but didn't know how deadly they were for the heart. Today, I know.

There's a wonderful community of heart patients out there. I'm now a member of their club. I can talk the language. It does us good to talk to one another and compare notes. Not only is it a catharsis, but an education. Each day, I learn something new about my heart from others in "the club."

Almost daily, some perfect stranger comes up and says, "Senator, I had a triple two years ago—never felt better."

Some 3,000 to 4,000 people sent me cards and letters. I read each one. A fifth-grader from Conway wrote, "Senator, we heard you had died and we're glad it wasn't true. Welcome back."

A wonderful 83-year-old woman from Arkadelphia not only wrote me, but had her niece take a picture of her holding a "Pryor" fan, one of the hand-held fans we gave out during campaigns. She thought it might cheer me up. In late May, I was saddened to see her obituary and that she had died of cancer.

There is a basic unvarnished goodness about the people of Arkansas. There is an unpretentious caring and generosity that comes out when one of us needs courage or compassion. Once again, as they have during my 30 years of public life, our people gave me hope and strength.

Well, so much for having a heart attack. Now, it's restructuring time. I refuse to become a professional heart attack victim. I hope that I'll not be known as "David Pryor, who suffered a heart attack in 1991 . . ." Surely there must be something better for which to be remembered.

On June 11, I wrote my colleagues in the Senate. Let me share a few lines of my letter:

"I hope none of you will accuse me of 'preaching' when I close this update by simply saying this to those I care for deeply. Be very careful. Care for yourself. Each of you is a very special human being. Pause every now and then. Take a deep breath. No one but you can decide what is *really* important.

"Reach out and touch your family. Gather them around you. Find strength in your real friends who care. Take some time for yourself, by yourself. Only when life is nearly taken away do we realize how fragile it is and come to know the value of our friends. Thank you for caring. Sincerely, David Pryor."

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

The PRESIDING OFFICER (Mr. AKAKA). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. 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 GULF OF MEXICO PRESERVATION ACT OF 1991

Mr. GRAMM. Mr. President, I rise to inform my colleagues that I will soon introduce the Gulf of Mexico Preservation Act of 1991.

Mr. President, the Environmental Protection Agency's gulf initiative has done important work in promoting and protecting the health and productivity of the gulf, but now we need more. This bill seeks to ensure that the gulf receives the attention and resources required to preserve this national treasure.

The legislation directs that the EPA's Gulf of Mexico Program Office be located permanently in one of the Gulf States: either Alabama, Florida, Louisiana, Mississippi, or Texas.

The bill contains a mandate to the program office to plan for the conservation, management, and environmental protection of the gulf.

It creates a grant program to eligible States to provide financial assistance for the gulf protection plan.

In addition, I have included a mechanism to help coordinate gulf-related activities between local, State, Federal, and international authorities.

Finally, Mr. President, the legislation authorizes substantial sums over a period of 5 years for gulf protection activities.

With 1,631 miles of coastline stretching from the Florida Everglades to Brownsville, the gulf provides jobs and recreation to millions of Americans.

The gulf supports over a third of the marine recreational fishing activities in the continental United States. It accounts for nearly 40 percent of domestic fishery landings and yields over 2.5 billion pounds of seafood each year.

Our Nation's energy resources are tied to the Gulf of Mexico. The gulf provides more than 72 percent of the oil and 97 percent of the natural gas produced offshore. The Department of Energy estimates that close to $90 billion in Federal revenues were generated from the gulf over the last four decades.

As anyone representing a gulf State can tell you, the gulf's capacity to provide freely from its resources has been strained. The loss of natural habitats is increasing and so is the pollution.

A dead zone of 3,000 square miles of oxygen deficient bottom waters has been documented off the Louisiana and Texas coast. Fish kills and red tides were increasing during the 1980's. Almost 2 tons of marine trash per mile covered Texas beaches alone in 1988. And 57 percent of the shellfish-growing areas on the gulf coast are permanently or conditionally closed.

Mr. President, these problems require a sustained, long-term solution which drastically upgrades the level of attention that is paid to the Gulf of Mexico and its future. That is why I have crafted the Gulf of Mexico Preservation Act of 1991.

I hope my colleagues will take a close look at this legislation and join me in this effort to protect and enhance this great body of water that has served so many, so well, for so long.

LOAN GUARANTEES FOR ISRAEL

Mr. SPECTER. Mr. President, I believe the Congress should proceed this month on our regular schedule to enact the foreign aid appropriations bill including consideration of the issue of the $10 billion loan guarantees over a 5-year period to Israel for resettlement of Soviet and Ethiopian Jews.

While I applaud the efforts and success of President Bush and Secretary of State Baker in arranging a Mideast peace conference, I oppose their request for a 120-day delay because that involves a key concession to one side before the conference's negotiations even begin.

This humanitarian aid should not be linked to collateral political considerations. It is well known that the changes in the Soviet Union have unleashed virulent anti-Semitism so that there should be no delay in financing the exodus of Soviet Jews to Israel. Any delay could mean the loss of many lives.

The Arab nations have agreed to attend a Mideast peace conference without any concession by Israel to cease any settlements. The Arab nations know of the timing of the congressional appropriations process; and it has been a matter of public knowledge for months that the Congress would take up to $10 billion loan guarantee issued this September.

It has obviously been difficult for the Bush administration to walk the tightrope to arrange the Mideast peace conference so that the parties may negotiate the issues. It has been reported that the settlements issue will be on the bargaining table. A change in the course of regularly scheduled business, consistent with the existing expectations of the parties, would tilt the honest broker posture of the United States, in favor of the Arab nations.

There is historical and practical merit in proceeding in the regular course of business. President Reagan articulated it by his oft-quoted statement to "stay the course." In the Senate, we have an established expression to proceed in regular order.

That regular order is to consider the loan guarantee issue as part of the foreign aid appropriations bill this month. The Congress can work its will and our traditional interaction with the executive branch will take place.

It is no surprise to the Arab nations, or to anyone else for that matter, of our separation of powers in the United States and the tradition of Congress to proceed independently on our own business and schedule. Linkage between political and humanitarian issues has been traditionally rejected and should be rejected here.

I am making this floor statement on our first day back from recess; but I had already written on September 6, 1991, to President Bush and the Secretary of State objecting to the 120-day delay. I ask unanimous consent that a copy of those letters be included in the CONGRESSIONAL RECORD as if read in full on the Senate floor.

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

U.S. SENATE,
Washington, DC, September 6, 1991.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I urge your Administration not to delay Congressional consideration on the issue of loan guarantees to Israel.

In my judgment, the issue of the loan guarantees should not be linked to West bank settlements. I had though that was the position of the Administration as well.

It also seems unwise to me to link the loan guarantees issue to a Mideast peace conference, because that linkage is likely to create more problems than it will solve.

I hope you had a somewhat restful summer. I have seen you frequently on the news and you are "looking good" notwithstanding the numerous problems you have had to deal with during your August vacation time in Kennebunkport.

I am sending a copy of this letter to Secretary of State Baker.

My best.

Sincerely,

ARLEN SPECTER.

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Washington, DC, September 6, 1991.

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My best.

Sincerely,

ARLEN SPECTER.

THE VOLUNTEER SPIRIT

Mr. HATCH. Mr. President, courage and devotion have long been the trademarks of the American hero. Many in our country believe the traditional American hero is a thing of the past, a fleeting memory of a simpler time when unselfish men and women brilliantly caught the American imagination. Feats of daring, physical prowess, or intellect, as depicted in the movies or exhibited by professional athletes, are the typical standards used to measure these heroes.

But, in my experience, a hero often does not have the media exposure of a public figure, but merely the courage to accomplish tasks that inspire only a few. Yet, if known to us, these quiet heroes would provide exceptional examples of heroism.

Mr. President, I want to pay tribute to one such hero. He is a man of quiet devotion who puts his values into service. Mr. Heber Paulson of Magna, UT, was born on August 18, 1910. In 1987, at the age of 77, Mr. Paulson brought a unique understanding to the Senior Companion Program at the Salt Lake County Aging Services. Mr. Paulson had cared for his own sister until her death, an experience with Alzheimer's that instilled in him the desire to assist other victims struggling with this devastating disease. From the beginning of his affiliation with the Senior Companion Program, he has worked with the "special component" created to serve Alzheimer's victims.

Let me share with you what some others have said about Heber Paulson. From the Deseret News, November 2–3, 1989, Deanna Foxley, volunteer coordinator for his program, said. "To have someone who's dependable is truly a gift." But the most telling description is from one whom he serves. Again from the Deseret News, November 2–3, 1989, "He's wonderful, he's absolutely the nicest person I've met and I'm his number one fan."

Dutifully, Mr. Paulson has utilized the bus system in the Salt Lake area to reach families in need. A minimum day on the buses consists of 20 miles, with at least two transfers. Mr. President, having lived through many Rocky Mountain winters myself, I know that walking to a bus stop can be a hardship on those much younger. This is heroism.

The winter of 1990 truly challenged Mr. Paulson. On the way to the bus stop for his daily visits, Heber Paulson fell and broke his hip. He underwent surgery and shortly thereafter was visited in the hospital by his program manager. The first question Mr. Paulson asked was if it was all right for him to have a few weeks off to recover. For 5 weeks he mended so that he could return to the service he loves. Mr. President, Heber Paulson spent part of that time in a nursing home because the servant of so many had no one to care for him.

Mr. Paulson just celebrated his 81st birthday, and he continues to serve victims of Alzheimer's. His courage and determination continue to inspire those with whom he comes in contact. Mr. President, it is my hope that we might be uplifted by his example and encouraged to help care for our fellow man. Such caring need not be extravagant or expensive. But, like Heber Paulson's, it can be dependable, and sincere, and heroic all the same.

LIBRARIANS IN MOSCOW: PRESENT AT THE COUP

Mr. PELL. Mr. President, one of the fortunate and little noted aspects of the abortive coup in Moscow last month was that it was observed firsthand by people who are generally regarded as the custodians of history, namely the librarians of the world.

By a remarkable coincidence, the International Federation of Library Associations and Institutions convened in Moscow for its annual conference on August 18, 1991. The 1,500 attendees included 300 Americans, among whom were 15 employees of the world's largest library, the Library of Congress.

Within 24 hours, the dramatic events of the attempted takeover began to unfold, virtually at the doorsteps of the conference. Tanks were drawn up in the streets just a few blocks from the Moscow Center for Trade and Scientific Cooperation where the library conference was taking place.

I am advised that the conference proceeded on schedule, notwithstanding a powerful undercurrent of anxiety and excitement.

Some of the atmosphere has been described eloquently by the Librarian of Congress, Dr. James Billington, who headed the Library's delegation and whose primary field of scholarly endeavor is Russian history and culture.

In articles published during the past week, Dr. Billington tells of the difficult dilemma faced by many Soviet citizens when confronted by the coup, and of the heroic and decisive stance taken by those who chose to resist. He argues persuasively for active Western involvement, particularly through private and local organizations, to help build the infrastructure of democracy. And he cautions against a backlash of despair and disillusionment which could provide fertile ground for "some nativist fascism."

As chairman of both the Committee on Foreign Relations and the Joint Committee on the Library, I welcome the thoughtful and informed observations which Dr. Billington has provided on these historic events. I ask unanimous consent that his articles entitled "The True Heroes of the Soviet Union" from the New York Times of August 30, 1991, and "U.S.S.R.: The Birth of a Nation" from the Washington Post of September 8, 1991, be printed in the RECORD at this point.

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

[From the New York Times, Aug. 30, 1991]

THE TRUE HEROES OF THE SOVIET UNION

(By James H. Billington)

WASHINGTON.—Communism died and Russia was reborn in Moscow in a 48-hour period from early morning on Aug. 19 to early morning on Aug. 21. But it was all both far more dangerous and far more liberating than we may have yet realized.

On the surface, things seemed surprisingly ordinary. Many Muscovites barely interrupted their schedules; international meetings continued, and television narrowed back to a single channel presenting diversionary ballet and sporting events.

It never seemed likely that the crew-cut kids in the tanks and their pony-tailed contemporaries on the barricades would ever fight. The everyday *dramatis personae* of the disintegrating Soviet economy milled indiscriminately around both groups: argumentative drunks, emotional old women and uncomprehending foreigners taking pictures of each other and offering everyone cigarettes.

Yet the coup was deadly serious and a near-catastrophe. Plans were well prepared to take the White House—the Russian parliament building—in 15 minutes and "neutralize" Boris Yeltsin's entire entourage. A hardened tank corps was to enter Moscow and start the storm rather than the more youthful tank crews already in the city.

But even this would have been only a diversion from the real assault that was to take place: from within the parliament building (where K.G.B. agents had infiltrated the crowd); from above (by helicopters bearing shock troops), and from below (where elite units were to rush into the building from 24 subterranean entry points whose existence had been unknown to Mr. Yeltsin's supporters).

There was far more complicity and passive acquiescence in the putsch than has yet been generally recognized—much of it by people for whom many in the West had high regard. Those who spoke out strongly against the coup during the decisive hours seem to have included only one member of the Cabinet (Nikolai Vorontsov), only one Ambassador (Boris Pankin in Prague, who has since been named Foreign Minister), only a few scholarly leaders (Dmitri Likhachev in Leningrad and Vyacheslav Ivanov in Moscow), and only one top official of the Russian Orthodox Church (Patriarch Alexis himself).

After the coup had failed, the new reformist head of the K.G.B., Vadim Bakatin, told a small group of Yeltsinites that an immediate purge of all those involved would be impossible because "if we arrest all of our fascists, we would need even more camps than Stalin created."

How then could the outcome have been too good to be true, too soon to believe? Basically, because an alternative political legitimacy had already been created and because enough ordinary people were willing to risk death to defend it. Russia had elected in Boris Yeltsin a plain-speaking leader from the deep interior who had broken with the Leninist mode. He had allied himself with a new generation of democratic reformers who were held in contempt by the junta and largely ignored by the West.

The moral force, human variety and sheer numbers of the mobilization to defend Mr. Yeltsin's White House simply produced too many convert-defectors from within the army, K.G.B., and Communist apparatus to permit the bloody final assault that the core K.G.B. and military leaders were willing to launch until the very end. Two incidents from the crucial 48 hours illustrate the political sophistication and spiritual depth of the democratic movement.

Konstantin Lubenchenko is a liberal People's Deputy and chairman of the International Association of Parliamentarians, an extragovernmental organization of 190 reform-minded legislators from the republics. Mr. Lubenchenko was shocked to find himself unable to communicate with other members of his caucus once the coup was announced. And he faced a request from the treacherous Anatoly Lukyanov, the nominal head of the Supreme Soviet, to provide a document that could—in effect—help legally justify the coup.

Mr. Lubenchenko mobilized enough of his group to write a stinging, highly professional refutation of any legal basis for the junta before leaving to meet a K.G.B. defector who provided warning of the impending underground attack.

Father Aleksandr Borisov is an elected member of the liberal Moscow City Council and part of the bright group of Orthodox priests who had been close to the prophetic priest Aleksandr Men, whose murder last fall now appears to have been sanctioned at the K.G.B.'s highest level.

Father Borisov rapidly plunged into a nonstop mission to the White House that included prayers, baptisms, counseling—and distribution of New Testaments to all in danger. He went first to the boys in the tanks, distributing 2,000 Bibles, with only one soldier refusing. He gave out an equal number to those on the barricades and then went off to participate in talks with the Patriarch that led to his moving prayer that anathematized fratricide—amplified to the troops just a half-hour before the time the major attack was expected and the first bloodshed in fact occurred.

With even more people defending the White House on the second night, the troops and key members of the junta balked at the amount of blood they would have to shed. The putsch fell apart and the long fever of totalitarianism broke.

The purity and conciseness of the speeches that were made at the White House during those 48 hours represented a complete rhetorical break with the past and expressed a new Russian identity that seeks to move forward to a Western-type democracy and backward to the moral roots of their own religious and cultural tradition. The masses were not putting their lives on the line to establish a market economy (though most would like it) but to make an altogether fresh start by discarding their corrupted system of government and their morally compromised way of relating to one another.

The West must move rapidly to work in new ways with altogether new people in the Soviet Union, including the provincial leaders who were almost unanimous in rejecting the junta. The possibilities for good are very great, but they may not last another winter. The economy remains in shambles and immense pro-putsch forces remain in place with the desire to use social dislocation as an excuse for a fresh attempt at power.

Though the coup of August collapsed, its immediate goal was accomplished: it prevented the new Union treaty from being signed the following day. There will now be much greater difficulty in peacefully devolving central power and resolving nationality tensions.

But there is an entirely new cast of people and popular mood for change among the long-quiescent Russians. Unless there is some major new Western response, the assertive desire for change among the Russian people may lose its hopeful and democratic character and leave them vulnerable to chauvinist or even fascist demagoguery.

The U.S. has a key role to play as the only nation by which the struggling U.S.S.R. can measure itself as it tries to build a multicultural democracy on a continental scale. Far from being a burden, it should be seen as a privilege by Americans to work with people who have rediscovered the enduring beauty and practical value of the laws and freedoms that we have perhaps too long taken for granted—and too little appreciated as being the only real guarantee of peace.

[From the Washington Post, Sept. 8, 1991]

U.S.S.R.: THE BIRTH OF A NATION—OUT OF THE ASHES OF EMPIRE, A NEW RUSSIA BRINGS FORTH A NEW IDENTITY

(By James Billington)

The 48-Hour August crisis in Moscow marked the end of communism and the victory of a culture of hope over one based on fear.

I was in Moscow at the time of the coup, attending a library conference and a "Congress of Compatriots," sponsored by cultural leaders of Boris Yeltsin's Russian Federation. That congress, which brought emigres back into contact with Russians from all over the sprawling republic, opened on Aug. 19, the day of the coup, and the group was soon immersed in the broader society's crisis of conscience. Already at the orientation meeting, a functionary from an all-union ministry sympathetic to the coup made a brief, crude attempt to instill caution, if not fear, in the group. He insisted that the sponsors acknowledge (and implicitly suggested that the visitors repudiate) identifying with a Russian government disobedient to the new Soviet one. Then, in the opening session that evening, an American of Russian origin made a moving speech in opposition to the coup, and invited those present to rise for a moment of solidarity with the missing Mikhail Gorbachev and the embattled Yeltsin.

Our Russian hosts suddenly were confronted with a small but highly public decision: whether or not to stand up. It was deeply disappointing to see a dozen of Russia's supposed intellectual and spiritual leaders not only remain seated, but seem angry at being confronted with this choice and hostile to the hundreds who stood up. Those who rose soon found themselves making another choice: to go to the "White House," the Russian parliament building, where Boris Yeltsin's government was holding on, rather than stay for the program of music and dance in the conservatory. When small groups of these people left the meeting and arrived at the parliament building in the rain, they found a bewildering number and variety of others who had made the same individual choice and were building barricades.

Russians at the barricades faced life-or-death moral choices that Monday night and the following night, when a violent assault on the White House seemed most likely. But far beyond that series of tense scenes, the 72 hours of the coup touched off a vast struggle, by no means ended, between the power of hope and the force of fear—within institutions, families and individuals. Russians are being torn between their old familiar fear that they need a strong dictatorship to pull them out of their decline and their seemingly implausible new hope that they just might be able to do it themselves, the democratic way.

Gorbachev made his own important contribution to this struggle by rejecting any collaboration with or legitimization of the junta. Yeltsin played a decisive role in validating the democratic ideal for ordinary Russians. He combined personal bravery with a touch of bravado (which Russians admire) and avoided self-important histrionics (which they dislike). Yeltsin set a serious tone for the entire resistance movement.

His very bluntness in saying what he thinks perplexes and worries many in the West used to smooth-speaking, mediawise politicians. But most Russians admire Yeltsin precisely because he is a doer, not a talker (unlike Gorbachev), and as president of Russia, he has been remarkably respectful of the dignity and integrity of other nationalities. In addition to recognizing the right of republics to secede, Yeltsin has included many ethnic groups among his advisers.

Yeltsin played a major role in linking the democratic ideal with the deeper moral and religious feelings of the Russian people, and it was activation of that long quiescent Russian tradition that has given the events of August the kind of mythic power and appeal that invites people to reconstruct individual lives and social relationships rather than just political and economic institutions.

The emotional high point of the deeply moving funeral procession for the three young men killed on the barricades was Yeltsin's farewell to their parents: "Forgive me, your president, that I was unable to save your sons." Asking forgiveness of each other is what Russians do before taking Communion; there was hardly a dry eye in Russia. There was indeed a sense that power was being revalidated morally. Somebody who was not to blame was assuming personal responsibility in a society where no one used to accept responsibility for anything.

In the coming together around Yeltsin, historic splits seemed to have been transcended into a new Russian identity that looks forward to liberal Western institutions yet also backward to conservative Russian beliefs. Russians felt with renewed power the Christian idea of the redemptive value of innocent suffering—along with a new appreciation of its Judaic roots. (One of the three martyrs—and many on the barricades—were Jewish.) The example of two Russian Orthodox priests, Father Alexander Borisov and Father Gleb Yakunin, who ministered to those on the barricades and to many of the often frightened young soldiers in the tanks allowed many Soviet citizens to see their Christian heritage in a new light.

In a lecture to a Moscow audience just before the coup, I expressed the belief that the future of the U.S.S.R. would be determined by which of two types of catharsis the Russian people would experience in the course of reconstructing their society: Would it be a traditional, imperial catharsis based on purges, scapegoats and negative nationalism; or a deeper, moral catharsis within individuals that involved the rebirth of conscience and transcending of violence? In the three days the coup lasted, Russia moved from a crude attempt at the first to the implausible but decisive victory of the latter. Russia (and much of the rest of the U.S.S.R.) has now created the moral basis for a new kind of society, substituting hope for fear, and bringing forward probably the most promising cadre of progressive democratic reformers in the entire history of the Russian empire.

It is equally important to remember what did *not* happen then—and has barely begun to happen since. There is almost no experience of (or structure for) creating the economic, political, or legal processes of an open, accountable democracy. Few of the vast number of party barons and military and police officials who collaborated in or sympathized with the coup have been dismissed. And the combination of a rapidly decaying economy and a wide variety of ethnic and social tensions provides an ideal breeding ground for a second attempt at a reactionary takeover that almost certainly would be more disciplined and dangerous than the first.

These negative factors suggest the need for a more active Western involvement in the attempt to institutionalize democracy in the Russian heart of the former Soviet Union. Having done what only they alone could do—destroy Communism—the Russians now must move rapidly in areas where they need to absorb Western experience. The United States has a special role to play—and not only because Russian missiles still targeted on us might menace us anew if they fell into the unfriendly hands of resurgent reactionaries.

The potential United States role is unique, in part because of the historic Russian tendency to adopt ideas from the Western power they outwardly opposed. The Russians took their religion from Byzantium, their first modern governmental institutions from the Swedes, and their first industrial models from the Germans—all while engaging in (or preparing for) war with these same nations. The Cold War has accustomed Russians to think of the United States as the nation by which they should measure themselves, and their new-found democratic pragmatism has convinced them that the American experience of democracy is relevant to their own efforts to build democracy on a continental, multi-ethnic scale.

This unusual new interest in America offers a great, but probably short-lived, opportunity for a major American initiative to identify ourselves with their hopes and to channel such hopes into a realistic process for building the infrastructure of democracy. Short-term food aid is a necessary, but insufficient, response. Some elements of a Marshall Plan-type package of aid and credits may be desirable, but could create a backlash against new government expenditures on our side while reinforcing central bureaucracies on their side.

What is needed most is not another government program but an all-American engagement of private and local organizations in helping all the peoples of the Soviet Union build the infrastructure and absorb the ethos of modern, pluralistic democracy. The first essential ingredient would be enlisting our own varied institutions that make a free society work—local governments, businesses, unions, churches, advocacy groups, voluntary and fraternal organizations—in direct contacts and human exchanges with counterpart fledgling organizations in the U.S.S.R. The most important feature should be the immediate, massive arrival of large numbers of Soviet citizens for short-term experiences living and working in the United States. Experience has shown that it is far more effective (and less demeaning) for foreigners to come here and do their own adapting of our institutions to their needs than to send U.S. talking heads to advise foreigners abroad. The peoples of the U.S.S.R do not need to be persuaded of the virtues of democracy; they need to see for themselves that it can work and how, in fact, it does work. No major country in the world has been less exposed to the United States than the Soviet Union. For example, it is likely that there have been more Chinese students in the United States in one year than we have had citizens of the U.S.S.R. here during the entire postwar period.

A great deal of institution-to-institution exchange already is going on, but it lacks coordination and a fresh sense of engaging the American people as a whole in the new adventure of the Soviet peoples as a whole. Local and nongovernmental programs have the special virtue of being immediately possible. If we move ahead with some White House leadership, there is every chance that the European Community also will make a more concerted effort to help the U.S.S.R. than has yet been made. New programs with the U.S.S.R. should not be undertaken at the expense of parallel democracy-building programs in Eastern Europe. But Eastern Europe has a special stake in all this. As Czech President Vaclav Havel noted in his address to a joint session of Congress, nothing is more important to the newly liberated countries of Eastern Europe than helping build and secure democracy in the U.S.S.R.

The surge of hope from the August upheaval could well produce a backlash of despair unless larger numbers of Russians can gain some first-hand sense of how democratic and market institutions actually work. Their renewed moral idealism needs a reinforcing response as well—some sense that we are willing to give of ourselves to those who have both lifted a cloud of danger from our common skies and begun building a more open and honest kind of existence.

High hopes can easily give way to deep disillusionment. Unless more of the peoples of the Soviet Union are brought out of their long isolation from the modern democratic world, they will remain vulnerable to some future nativist fascism that will feed on the inevitable hardships of the coming transition period. The United States then would once again risk becoming the external enemy—in part because at a crucial breakpoint in history, we were unwilling to give more of ourselves to help others practice the ideals we had so long been preaching.

THE CHANGE IN STATE DEPARTMENT PASSPORT POLICY

Mr. DIXON. Mr. President, I intended to introduce an amendment to S. 1433, the State Department Authorization Act which would have closed a loophole in current State Department policy relative to the issuance of passports by U.S. embassies and consulates to noncustodial parents.

I did not offer that amendment given the assurance of Assistant Secretary of State Janet Mullins, that the passport policy would be changed. I have received the official letter from Assistant Secretary of State Mullins, and will ask unanimous consent to insert her letter to me in the RECORD at the conclusion of my remarks.

As many of you know, I have been involved in efforts to halt the unabated abduction of American children by their parents. In the course of my research into this matter, I discovered that a policy of our own State Department provided a giant loophole through which a noncustodial parent could abduct his or her children. Here's how it worked:

John and Mary Smith get a divorce. Mary is awarded by the court sole custody of their young son. John is awarded visitation rights. Mary, in an effort to prevent John from removing their son from the United States, registers their son's name with the State Department's passport name check system. Should John try and obtain a passport in the United States for their son, the existence of the son's name on the system would result in the denial of his request.

That is how the system worked in the United States, Mr. President. It was pretty airtight. A simple check of the system in Washington would flag the name and prevent the issuance of a passport. However, this was the loophole:

John, the noncustodial parent, takes their son to Canada, ostensibly on a trip. No passport is required to enter Canada. John goes to the United States Embassy in Ottawa, or to any of the United States consulates in Canada, and seeks to obtain a passport for his son. The Embassy or consulate will check the passport name check system, note that the son's name is on the system, even notify Mary that John is in Canada, yet a passport would be issued.

The State Department's previous policy provided a noncustodial parent, contemplating child abduction, an easy means to carry out the act.

That loophole is now effectively closed, and I congratulate the Department on this enlightened change. The United States is taking the necessary steps to protect this Nation's children from the horror of international parental child abduction.

I would like to thank Assistant Secretaries of State Janet Mullins and Elizabeth Tamposi, Carmen Diplacido and Sally Light of the overseas Citizen Services Office, Jim Hergen of the Office or Legal Advisor, and Bill Camp of the Office of Passport Services for their efforts and cooperation. Our Nation's children are safer today because of their diligence.

I ask unanimous consent that the letter to which I referred be printed in the RECORD.

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

U.S. DEPARTMENT OF STATE,
Washington, DC, August 1, 1991.

Hon. ALAN J. DIXON,
U.S. Senate.

DEAR SENATOR DIXON: The Bureau of Consular Affairs has reconsidered its position on the denial of passports by overseas posts to certain abducted minor children as outlined in the Department's response of July 2 to the concerns expressed in your letter to Secretary Baker.

A parent with sole legal custody of a child may have the child's name entered into the Department's passport namecheck system. Should the noncustodial parent then apply for a passport for the child, either in the United States or at one of our embassies or consulates overseas, the Department will, except for humanitarian or emergency reasons relating to the welfare of the child, exercise its discretion to deny such passport.

The Department believes that it has the legal authority to carry out this policy immediately without new legislation. It is our understanding that you have therefore withdrawn S. 1433, your amendment to the Department of State authorization bill, on this issue. Our overseas posts will be informed expeditiously of this policy change and our internal regulations changed accordingly.

I hope that this response from the Bureau of Consular Affairs will satisfactorily address your concerns on this issue.

Sincerely,

JANET G. MULLINS,
Assistant Secretary,
Legislative Affairs.

DOUG GEORGE—A DEDICATED INTELLIGENCE OFFICER AND VALUABLE SENATE STAFF MEMBER

Mr. NUNN. Mr. President, this past weekend the Nation lost a dedicated public servant, and the Senate and the Armed Services Committee lost a valuable staff member. Doug George, a senior member of the Armed Services Committee staff and a former intelligence official with a distinguished career in the U.S. intelligence community, died at his home last Friday evening after a courageous fight with cancer.

Doug joined the Armed Services Committee staff a little over a year ago. When he came to the committee, we knew that we were getting a seasoned professional in the fields of arms control and U.S. intelligence. Over the past year, Doug played a key role in the committee's oversight of Operation Desert Shield and Desert Storm; in our continuing work on the CFE and START Treaties; on command and control of the nuclear arsenals of the United States and the Soviet Union; and on the reorganization of the U.S. intelligence community. He was tireless in providing the members of the Armed Services Committee with his views and assessment of these issues, drawing on his broad experience in the field of intelligence analysis and management.

Before Doug joined the Armed Services Committee staff, he served almost 25 years in the U.S. intelligence community, rising from the position of analyst to become one of the senior managers of the intelligence community. In his last assignment before coming to the committee staff, Doug was deputy director of the intelligence community staff for requirements and evaluation, where he worked directly with the Director of Central Intelligence and other top intelligence officials in the Government. In recent years Doug regularly testified before the Congressional Intelligence Oversight Committees on Weapons Proliferation, Arms Control and Intelligence Community Operations.

In the mid-1980's, Doug served as the Chief of the Arms Control Intelligence Staff and the Executive Secretary of the CIA's Steering Group on Monitoring Strategic Arms Limitations. As the CIA's most senior specialist and executive on arms control issues, Doug played a key role in several United States/Soviet summit meetings, including the Reykjavik summit.

I first got to know Doug during the debate on the SALT II Treaty. At the time Doug was serving in the CIA's Office of Scientific and Weapons Research, and was an expert in the Soviet Union's nuclear capability. During that debate Doug gained a wide reputation for the honesty and integrity that became the hallmark of his career as an intelligence official. In all of the years I have worked with Doug, he never hesitated to give his own objective analysis of a particular issue or problem, and he never let his analysis be swayed by partisan or political considerations.

The quality of Doug's work was recognized throughout the U.S. intelligence community. He had a well-deserved reputation as a strong and active manager with a positive attitude and an ability to get things done. As a result, he received a number of awards and citations from the intelligence community, culminating in 1987 with the prestigious Distinguished Intelligence Medal.

Mr. President, Doug George's distinguished career in the service of our Nation's intelligence community is a matter of public record. All of us appreciate his service to the country, and we are grateful for the privilege of having known and worked with him.

But people should also know that Doug's demeanor and spirit in the last months of his life were an inspiration to those who were close to him. Doug faced his disease with determination and courage. After his cancer was diagnosed in April, he continued to carry out his responsibilities to the committee, often in spite of great physical pain. He remained involved in the committee's work even in the last days before his death.

Mr. President, I know all of my colleagues join me in offering our condolences to Doug's wife, Kathryn.

Doug George was a true professional and a public servant of great integrity. He will be greatly missed.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,369th day that Terry Anderson has been held captive in Lebanon.

In August we had much good news. Indeed, we welcome the release—if long overdue—of two hostages, Edward Austin Tracy and John McCarthy. Although we still wait for the 10 remaining hostages, we celebrate the newly recovered freedom of Mr. Tracy and Mr. McCarthy, and I ask unanimous consent that the Washington Post reports announcing each release be printed in the RECORD at this time.

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

[From the Washington Post, Aug. 9, 1991]

HOPES GROW FOR HOSTAGES AS BRITON IS FREED—REMAINING CAPTIVES REPORTED IN GOOD HEALTH

(By Stuart Auerbach)

LONDON, August 8.—British hostage John McCarthy, released early today in Beirut after five years in captivity, landed back home tonight with a letter from his Islamic Jihad captors to U.N. Secretary General Javier Perez de Cuellar that could hold the key to the release of the 11 Westerners still known to be in captivity.

In a news conference in Damascus, Syria, where he was turned over to British diplomats, McCarthy reported that two days ago he saw two of the six remaining American hostages—Terry Anderson and Thomas Sutherland—as well as British hostage Terry Waite and they were "in good health and good spirits," although Waite had been seriously ill.

Grinning broadly, McCarthy, 34, stepped down on British soil at a Royal Air Force base near here at 10:30 local time tonight. With his father, Patrick, at his side, he waved gleefully to the crowd of journalists covering his arrival before being driven off to the base officers club to meet privately with close friends and relatives.

"I am enormously relieved by his apparent good health," British Foreign Officer Minister Douglas Hogg said after the arrival of McCarthy, a producer for Worldwide Television News who was kidnapped in Beirut on April 17, 1986.

Speaking of the hostages still held, Hogg said, "We are determined to secure their freedom and will be working hard to ensure this breakthrough marks the beginning of the end of this dreadful business."

In a development that indicated a possible split among Shiite militants in Lebanon, an Arab faction announced that it had kidnapped a Frenchman, Jerome Leyraud, 25, an employee in Beirut of a Paris-based medical group, Doctors of the World, and would kill him if other Western hostages are freed. Leyraud's office said he was missing.

The release of McCarthy by Islamic Jihad two days after the militant Shiite Muslim faction had announced that it would be sending someone with an "extremely important message" to Perez de Cuellar produced official optimism and speculation in several countries that a resolution of the 6½-year-old hostage standoff could be near.

"I think we have to consider this as the beginning of a process leading to the release of all hostages—American, British, German, as well as the hostages that are in Israel," Perez de Cuellar said in New York, adding that he was still hopeful an American hostage would be released shortly.

Perez de Cuellar said he expects to meet McCarthy Sunday "somewhere in Europe" to receive the letter from Islamic Jihad, which McCarthy said he understood to contain a request for "a full exchange of the Western hostages, all the prisoners, civilian and military, who are currently being held by Isreal, from Lebanon.

President Bush, vacationing at Kennebunkport, Maine, told reporters, "Those who follow this most closely feel that it is likely an American will be released."

Israeli Defense Minister Moshe Arens said Israel is "definitely ready" for an exchange of prisoners, as long as it includes seven Israeli soldiers who disappeared in Lebanon between 1982 and 1986. Israel has never been told whether they are dead or captured.

Hogg said here today that Britain would intensify its pressure on Israel to begin releasing the estimated 400 Arab prisoners it holds from Lebanon, including Sheik Abdel Karim Obeid, a prominent militant Shiite clergyman who was kidnapped by Israeli commandos in Lebanon two years ago as a bargaining chip for release of Israelis.

"I hope we can keep the momentum going," he said. "The Israelis know the importance that we attach to the release of the sheik and the detainees. We have told the Israelis our views in this matter before. We will be doing so again very shortly."

Syrian Foreign Minister Farouk Charaa also indicated that McCarthy's release was the first step toward a comprehensive prisoner exchange. "The release of this British hostage is, in my assessment, a test by the kidnappers to alert Western countries to help in releasing Lebanese hostages held in Israel," he said, according to Reuter. But he also said no more hostages were likely to be freed until Lebanese and Palestinians jailed by Israel are released.

The faction that said it kidnapped Leyraud, Organization for the Defense of Prisoners' Rights, was first heard of Wednesday when it claimed responsibility for a rocket-propelled grenade attack on a U.N. agency building in Beirut and demanded that Israel release Arab prisoners it holds.

McCarthy, 34, looked pale but unexpectedly fit when he appeared at the Syrian Foreign Office in Damascus for a televised press conference. He was clean-shaven and wore an ill-fitting outfit of an olive-green T-shirt and cream-colored trousers. He smiled most of the time, but appeared close to tears when British Ambassador Andrew Green spoke of the remaining hostages and of McCarthy's strength of character during his ordeal.

"The ambassador kindly mentioned my strength of character," he said. "I will refer back to the two Americans and to Terry Waite and say that whatever strength I have had to endure the past five years has really come from those men."

British officials said an initial medical examination at the British ambassador's residence in Damascus showed that McCarthy was in good health. He underwent a more detailed exam during the long flight home.

At his news conference in Damascus, McCarthy said, "I am happy to be able to tell the families of the American hostages Terry Anderson and Thomas Sutherland, and of my fellow Briton Terry Waite, that when I left them two days ago they were in good health and in good spirits, and that our living conditions recently were tolerable, and I think we could call them good."

Although he had not seen the others, he said, "my captors did tell me that whilst their group, Islamic Jihad, does not hold all the hostages, they could assure me that for all 11 Western hostages being held in Lebanon, health and living conditions are good." Those remaining include six Americans, two Britons, two Germans and one Italian.

British Foreign Office official Hogg said McCarthy told him the conditions they were held under had improved recently.

In his news conference and an interview with Syrian television, broadcast here, McCarthy supplied the first direct confirmation that Waite is alive and in captivity. Waite had traveled frequently to Beirut as a special envoy of the archbishop of Canterbury seeking release of hostages and disappeared in January 1987 after leaving a west Beirut home without bodyguards for a secret meeting with Islamic Jihad. Other freed hostages had reported only second hand accounts of his captivity and for a period it was rumored that he was dead.

McCarthy said that Waite had been "very sick" earlier. "He had a very bad problem with his lungs: asthma," McCarthy said. "They did take him to a doctor and gave him medicine. Now I hope he will be okay until he is released."

McCarthy was released under unusual circumstances—as the designated envoy of his Islamic Jihad captors to personally deliver a letter from them to Perez de Cuellar.

He said he spoke Wednesday "at great length with my captors (and) I understand that the letter seeks the secretary general's help in arranging the release of all prisoners and hostages being held in Lebanon and for those held in Israel," he said.

"I cannot say any more about that now, as the letter is clearly for the secretary general's personal attention," he said. "It would be better for him to make any comment."

Hogg, who had visited Beirut and Damascus earlier this year to try to use diplomacy to get a hostage release started, said in his news conference that two factors contributed to Islamic Jihad's decision to release McCarthy.

One was the increasing control that the Syrian-backed government of Lebanon is gaining over the country, especially in the eastern Bekaa Valley where many of the fundamentalist Shiite groups had their strongholds. The other, he said, was that other countries in the region—notably Iran and Syria—have decided to use their influence with the hostage-takers.

The Lebanese government's control is based on the Syrian military presence in the country, which Middle East experts here said was making it harder for fundamentalist Shiite groups to continue operating freely.

Hogg credited Britain's recent renewal of diplomatic relations with Iran and Syria with helping to gain McCarthy's freedom. But he insisted "there has been no deal" between his government and Iran and Syria. Nonetheless, he and vacationing Prime Minister John Major went out of their way to praise "the government of Syria for their assistance . . . and the government of Iran for exercising its humanitarian influence to help achieve this release."

James Craig, former British ambassador to Syria, noted in a BBC interview tonight that the changing geopolitical situation in the Middle East—with the end of superpower conflict in the region and the ascendancy of American power there—created the atmosphere that led to McCarthy's release.

With the growing accord between Washington and Moscow, the Syrian government of president Hafez Assad has lost the patronage of the Soviet Union and has begun moving closer to the United States. Syria joined the allied coalition against Iraq's invasion of Kuwait and has agreed to hold peace talks with Israel.

Iran also appears to want closer ties with the West. After 12 years of fundamentalist rule and a punishing, decade-long war with Iraq, it needs more trade and technology to improve its economy.

In his Syrian TV interview, McCarthy said there were times when he felt his captivity would never end. "One kept hearing news and thought 'maybe now, maybe now'—and it would go away," he said.

"I think for all of us it was a constant strain, a constant pressure on us, and we had to keep ourselves happy and determined to carry on. We have done that very well, I think.

"The men I was with—Terry Waite, Terry Anderson, Tom Sutherland—were very strong men. They supported me and I hope I supported them." Correspondent Nora Boustany contributed from Beirut.

[From the Washington Post, Aug. 12, 1991]

U.S. HOSTAGE FREED AS NEGOTIATIONS INTENSIFY—TRACY "WONDERFUL" AFTER 5 YEARS IN CAPTIVITY

(By Caryle Murphy)

DAMASCUS, Syria, August 11.—American Edward Austin Tracy, held hostage in Lebanon for almost five years, was released by his Shiite Muslim captors today and handed over to U.S. officials here as part of what appears to be a delicate and still-secret negotiating effort by U.N. diplomats to end the six year-old hostage crisis.

In England, John McCarthy, a British hostage who was released Thursday, handed over a letter from his captors, the Islamic Jihad organization, to U.N. Secretary General Javier Perez de Cuellar in a widely televised exchange that thrust the U.N. chief into the spotlight as the central figure in the negotiations.

The release of Tracy, the first U.S. hostage to be freed in 16 months, and that of McCarthy, a television producer held five years, are now being seen by officials in the United States, London, Damascus and the United Nations as the initial steps in a carefully orchestrated, phased release of the 10 remaining Western hostages for Shiite prisoners held by Israel.

Officials in many countries suggested today that the conditions in Syria, Iran and Lebanon and among the radical Muslim fundamentalist groups still holding hostages are right for a deal to be struck.

In Israel, Prime Minister Yitzhak Shamir and other officials reiterated the government's willingness, in any exchange, to release Arab prisoners held in Lebanon as well as a prominent Shiite Muslim cleric who was kidnapped from Lebanon by Israeli forces, but only if seven Israeli soldiers who are missing in Lebanon are returned, or accounted for, if dead.

Syrian Foreign Minister Farouk Charaa said in an interview that he believed and

hoped this week's releases mark the beginning of the end of the hostage affair.

The white-haired Tracy, 60, a book salesman and author, looked pale but in good spirits when he appeared briefly before reporters at the Syrian Foreign Ministry before being taken to the U.S. Embassy by Charge d'Affaires John Craig.

"Wonderful," Tracy replied when asked how he felt. "I'm ready to go outside and do the 100-yard dash."

Tracy, who was kidnapped on Oct. 21, 1986, in Beirut, where he had lived for 10 years, was flown to a hospital at a U.S. military base in Wiesbaden, Germany, later today.

With the release of Tracy and McCarthy, the kidnappers in Lebanon and their mentors in Iran appear intent on putting pressure on Israel to release its 375 Lebanese and Palestinian prisoners.

The kidnappers say that the prisoners held by Israel should be considered hostages too, and should also be freed if Western hostages are released.

Tracy's captors, an Iranian-backed group called the revolutionary Justice Organization, said Saturday that a U.N. initiative had begun the negotiations toward his release. The group also holds Joseph Cicippio, 60, former comptroller of the American University of Beirut, who was kidnapped a month before Tracy.

The U.N. contacts "opened up important horizons for negotiations in influential international levels, and we have witnessed quick and tangible results that made us honor our obligations," it said, and "we are moving seriously toward a solution. The hoped-for positive results can be achieved by the release of our brethren. Any attempt to apply pressure and fail to honor (obligations) will allow things to get out of control and plunge into the unknown."

In particular, it cited Sheik Abdul Karim Obeid, who was kidnaped from his home in Lebanon by Israeli commandos in July 1989. His release, it said Saturday, is a "priority."

In remarks today as Tracy was turned over to U.S. diplomats, Deputy Foreign Minister Yussef Shakour also stressed the importance Syria attaches to Obeid's release. Referring to the release of Westerners so far, he said, "We wish that this will help secure the release of all the Lebanese and Palestinians under arrest in Israeli jails. Sheik Obeid comes to the fore."

Shakour said he hoped Tracy's and McCarthy's release would "comprise the beginning for closing the file of all hostages."

Craig thanked the Syrian government for helping with Tracy's release, and added that "in particular, I want to thank President Hafez Assad for his personal interest on behalf of the hostages."

"We hope that this happy occasion will be an indication of continued efforts in Lebanon to restore the rule of law and to solve differences in the new, peaceful and constructive atmosphere," Craig said. "The U.S. calls on all those governments who have influence to exercise that influence so that building on today's positive developments, the hostages can be released promptly and without conditions."

Craig made no mention of any efforts by Iran toward securing Tracy's release.

The Iranian government has said it has influence over the hostage-takers, but does not control them. Diplomats here said Tehran has been pressuring its Shiite allies in Lebanon to cooperate in ending the hostage issue.

Iranian Interior Minister Abdullah Nouri, visiting Syria, said today, "We oppose, denounce and reject all hostage-taking actions. . . . We expect and hope that those who are holding hostages . . . will abandon these practices and free the hostages. We are doing everything we can to achieve this through every available means," Reuter reported.

But Nouri accused Western governments of racism in concerning themselves only with the fate of Western hostages and ignoring Iranians, Palestinians and Lebanese.

Newspapers in Iran, which once backed the kidnapings in Lebanon as a means of political pressure against the West, said this morning that there now is a plan for all foreign captives to be set free unconditionally. "This time, sincere efforts were made to close the hostage file forever and a plan was launched so that all the hostages, wherever they may be should be freed without any terms and conditions," the influential Tehran Times said. "I'm surprised that the world is still here. . . . I'm really happy to see a tree, hear an airplane, here an automobile. I'm amazed and baffled by 'em. I can't find words."—freed hostage Edward Tracy said.

Lebanese Interior Minister Sami Khatib told reporters there is a "grand dialogue between states" now for the release of all Western hostages still held in Lebanon, Washington Post correspondent Nora Boustany reported from Beirut.

Syria's Charaa said "a number of new factors" make success in resolving the hostage crisis more favorable now. "The most important tangible factor is the improvement in the situation in Lebanon," he said. "There is a central government in Lebanon which has the full backing of Syria, and there is cooperation between Syria and Lebanese authorities." Syria, which has 40,000 troops in Lebanon, has provided the muscle in recent months for the Lebanese government to disarm or neutralize factional militias.

The release in Beirut early today of Jerome Leyraud, a French relief worker who had been kidnapped Thursday shortly after McCarthy was freed, "was a result of cooperation between the two governments," Charaa said.

Leyraud's kidnappers had threatened to kill him if other hostages were released, but Syria and Lebanon gave the kidnappers an ultimatum and he was freed early today.

Charaa said past attempts to solve the hostage crisis were foiled not only by Israel's refusal to release prisoners it holds but also by demands imposed by the hostage-holders. In the past, he said, "the kidnappers tried to impose their own conditions," having to do with "their political status in Lebanon, events in Iran and Iranian funds in the United States."

"We made it clear (to the kidnappers) we cannot accept any preconditions," Charaa said, "and when they felt we are serious, they said, 'All, right, if Syria is so concerned from a humanitarian point of view about the Western hostages, why is it not concerned about the Lebanese kidnapped and held by Israel?' "

"We think this is logical," he said.

With the release of Tracy and Leyraud, 10 Western hostages are known to remain in captivity in Lebanon: five Americans, two Britons, two Germans and one Italian.

Tracy was born in Rutland, Vt., and is a graduate of the Wharton School of Business at the University of Pennsylvania. He has three grown children and had lived in Beirut since 1976.

"I'm surprised that the world is still here," he said in an interview with Syrian television today. "I thought it had powdered off somewhere. I'm really happy to see a tree, hear an airplane, hear an automobile. I'm amazed and baffled by 'em. I can't find words."

When photographers began snapping his picture, he joked: "Take it easy. You're going to spoil me. I haven't been on Time magazine's cover for a year."

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Under the authority of the order of the Senate of January 3, 1991, the Secretary of the Senate, on August 5, 1991, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bills and joint resolutions:

S. 1593. An act to improve the operation and effectiveness of the United States National Commission on Libraries and Information Science, and for other purposes;

S. 1594. An act to honor and commend the efforts of Terry Beirn, to amend the Public Health Service Act to rename and make technical amendments to the community-based AIDS research initiative, and for other purposes;

S. 1608. An act to make Technical Amendments to the Nutrition Information and Labeling Act, and for other purposes;

H.R. 904. An act to direct the Secretary of the Interior to prepare a national historic landmark theme study on African-American history;

H.R. 991. An act to extend the expiration date of the Defense Production Act of 1950, and for other purposes;

H.R. 1006. An act to authorize appropriations for fiscal year 1992 for the Federal Maritime Commission, and for other purposes;

H.R. 1143. An act to authorize a study of nationally significant places in American labor history;

H.R. 2123. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to establish a predictable and equitable method for determining the amount of the annual Federal payment to the District of Columbia;

H.R. 2313. An act to amend the School Dropout Demonstration Assistance Act of 1988 to extend authorization of appropriations through fiscal year 1993, and for other purposes;

H.R. 2427. An act making appropriations for energy and water development for the fiscal year ending September 30, 1992, and for other purposes;

H.R. 2506. An act making appropriations for the legislative branch for the fiscal year ending September 30, 1992, and for other purposes;

H.R. 2699. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1992, and for other purposes;

H.R. 2968. An act to waive the period of congressional review for certain District of Columbia acts;

H.R. 2969. An act to permit the Mayor of the District of Columbia to reduce the budgets of the Board of Education and other independent agencies of the District, to permit the District of Columbia to carry out a program to reduce the number of employees of

the District government, and for other purposes;

H.R. 3201. An act to provide emergency unemployment compensation, and for other purposes;

S.J. Res. 72. Joint resolution to designate the week of September 15, 1991, through September 21, 1991, as "National Rehabilitation Week";

H.J. Res. 166. Joint resolution to designate September 13, 1991, as "Commodore John Barry Day"; and

H.J. Res. 309. Joint resolution designating August 29, 1991, as "National Sarcoidosis Awareness Day."

Under the authority of the order of the Senate of January 3, 1991, the enrolled bills and joint resolutions were signed on August 6, 1991, during the adjournment of the Senate, by the President pro tempore [Mr. BYRD].

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on August 6, 1991, he had presented to the President of the United States the following enrolled bills and joint resolution:

S. 1593. An act to improve the operation and effectiveness of the United States National Commission on Libraries and Information Sciences;

S. 1594. An act to honor and commend Terry Beirn, to amend the Public Health Service Act to rename and make technical amendments to the community-based AIDS research initiative, and for other purposes;

S. 1608. A bill to make technical amendments to the Nutrition Information and Labeling Act, and for other purposes; and

S.J. Res. 72. Joint resolution to designate the week of September 15, 1991, through September 21, 1991, as "National Rehabilitation Week."

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1734. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Financial Audit: Commodity Credit Corporation's Financial Statements for 1989 and 1988"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1735. A communication from the Secretary of Defense, transmitting a draft of proposed legislation to authorize the Secretary of Defense to institute a voluntary separation incentive for members of the armed forces to ensure an orderly, effective, and fair reduction in the size of the armed forces, and for other purposes; to the Committee on Armed Services.

EC-1736. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to restore the authority to transfer technical data packages for large caliber cannon to friendly foreign countries; to the Committee on Armed Services.

EC-1737. A communication from the General Counsel of the Department of Defense to authorize supplemental appropriations for fiscal year 1991 in connection with the tornado recovery program at McConnell Air Force Base, Kansas, and to authorize additional administrative procedures for the Persian Gulf Regional Defense Fund; to the Committee on Armed Services.

EC-1738. A communication from the Deputy Assistant Secretary of Defense (Environment), transmitting, pursuant to law, a report on the Department of Defense Environmental Compliance Program for fiscal year 1992; to the Committee on Armed Services.

EC-1739. A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the 1990 annual report of the Securities Investor Protection Corporation; to the Committee on Banking, Housing, and Urban Affairs.

EC-1740. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a Presidential determination under the Export-Import Act relative to Bulgaria; to the Committee on Banking, Housing, and Urban Affairs.

EC-1741. A communication from the Director of the Congressional Budget Office, transmitting, pursuant to law, notice that the Department of Commerce's advance report on the growth of the real Gross National Product during the second calendar quarter of 1991 indicated that growth was less than 1.0 percent during that quarter and the preceding quarter; to the Committee on the Budget.

EC-1742. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, notice of a further extension of time in rendering a decision in National Starch and Chemical Corporation v. The Atchison, Topeka and Santa Fe Railway Company et al; to the Committee on Commerce, Science, and Transportation.

EC-1743. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "Highway Safety Performance—1989 Fatal and Injury Accident Rates on Public Roads in the United States"; to the Committee on Commerce, Science, and Transportation.

EC-1744. A communication from the Director of the Minerals Management Service, Department of the Interior, transmitting, pursuant to law, the Proposed Comprehensive Outer Continental Shelf Natural Gas and Oil Resource Management Program for 1992-1997; to the Committee on Energy and Natural Resources.

EC-1745. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1746. A communication from the Acting Assistant Secretary of Energy (Office of Fossil Energy), transmitting, pursuant to law, a report on the "Storage of Refined Petroleum Products and Regional Supply Interuptions"; to the Committee on Energy and Natural Resources.

EC-1747. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1748. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1749. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1750. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, an Integrated Environmental Plan for the Mexico-United States Border Area (First Stage, 1992-1994); to the Committee on Environment and Public Works.

EC-1751. A communication from the Director of the Office of Personnel Management, transmitting a draft of proposed legislation to designate Federal Office Building Numbered 9 located at 1900 E Street, Northwest, in the District of Columbia, as the "Theodore Roosevelt Federal Building"; to the Committee on Environment and Public Works.

EC-1752. A communication from the Acting Principal Deputy Assistant Secretary of the Army (Civil Works) a draft of proposed legislation to authorize the Secretary of the Army to develop and implement a challenge cost-sharing program for the management of recreation facilities and natural resources at water resources development projects under the Secretary's jurisdiction; to the Committee on Environment and Public Works.

EC-1753. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the report on the nondisclosure of safeguards information for the quarter ended June 30, 1991; to the Committee on Environment and Public Works.

EC-1754. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to provide for equity in the Medicare Supplementary Medical Insurance Premium; to the Committee on Finance.

EC-1755. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the feasibility of providing to Supplemental Security Income recipients who may lack the ability to read and comprehend regular written notices, certain special services that are now available to blind SSI recipients; to the Committee on Finance.

EC-1756. A communication from the Director of the Office of Cuba Broadcasting, United States Information Agency, transmitting, pursuant to law, a report entitled "Special Report by the Advisory Board for Cuba Broadcasting on TV Marti"; to the Committee on Foreign Relations.

EC-1757. A communication from the Assistant Attorney General (Legislative Affairs), transmitting proposed amendments to the International Claims Settlement Act; to the Committee on Foreign Relations.

EC-1758. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on El Salvador as required by the Foreign Assistance Appropriations Act; to the Committee on Foreign Relations.

EC-1759. A communication from the Benefits Manager of the Farm Credit Bank of Baltimore, transmitting, pursuant to law, the annual report on the Farm Credit District of

Baltimore Retirement Plan for plan year 1990; to the Committee on Governmental Affairs.

EC–1760. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Fiscal Year 1990 Annual Report on Advisory Neighborhood Commissions"; to the Committee on Governmental Affairs.

EC–1761. A communication from the Manager of Employee Benefits, Farm Credit Bank of St, Paul, transmitting, pursuant to law, the annual report on the Retirement Plan for the Employees of the Seventh Farm Credit District for 1990; to the Committee on Governmental Affairs.

EC–1762. A communication from the Chief Judge of the United States Court of Veterans Appeals, transmitting, pursuant to law, the actuarial report for the year ending December 31, 1990 for the United States Court of Veterans Appeals; to the Committee on Governmental Affairs.

EC–1763. A communication from the Acting Assistant Secretary of the Interior (Policy, Management and Budget), transmitting, pursuant to law, the semi-annual report on the status of self-governance negotiations and the use of grant funding to the compacts; to the Select Committee on Indian Affairs.

EC–1764. A communication from the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, the annual report under the Indian Self-Determination and Education Assistance Act for fiscal year 1990; to the Select Committee on Indian Affairs.

EC–1765. A communication from the Chairman of the Administrative Conference of the United States, transmitting a draft of proposed legislation to amend the Administrative Conference Act; to the Committee on the Judiciary.

EC–1766. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize the nonimmigrant entry of spouses and children of alien members of the armed forces; to the Committee on the Judiciary.

EC–1767. A communication from the Chairman of the United States Sentencing Commission, transmitting, pursuant to law, the annual report of the Commission for fiscal year 1990; to the Committee on the Judiciary.

EC–1768. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on state activities in implementing the third year of the Child Abuse and Neglect Prevention Challenge Grant Programs; to the Committee on Labor and Human Resources.

EC–1769. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations—Institutional Eligibility under the Higher Education Act of 1965, as amended; Student Assistance General Provisions; to the Committee on Labor and Human Resources.

EC–1770. A communication from the Director of the Congressional Budget Office, transmitting, pursuant to law, a report on procedures established under which employees of the Congressional Budget Office may file employment discrimination complaints under the employment discrimination protections of the Americans With Disabilities Act; to the Committee on Rules and Administration.

EC–1771. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the National School Lunch Act and the Child Nutrition Act of 1986; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1772. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the annual Animal Welfare Enforcement Report for fiscal year 1990; to the Committee on Agriculture, Nutrition, and Forestry.

EC–1773. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals dated August 1, 1991; pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, referred jointly to the Committee on Appropriations and the Committee on the Budget.

EC–1774. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the President's fifth special impoundment message for fiscal year 1991; pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, the Committee on Finance, and the Committee on Foreign Relations.

EC–1775. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on a violation of the Antideficiency Act; to the Committee on Appropriations.

EC–1776. A communication from the Under Secretary of Defense (Acquisition), transmitting, pursuant to law, selected acquisition reports for the quarter ended June 30, 1991; to the Committee on Armed Services.

EC–1777. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the sixth report on United States Costs on the Persian Gulf Conflict and Foreign Contributions to Offset Such Costs; to the Committee on Armed Services.

EC–1778. A communication from the President of the United States, transmitting, pursuant to law, the annual report on the National Security Strategy of the United States, 1991; to the Committee on Armed Services.

EC–1779. A communication from the Director of Administration and Management, Office of the Secretary of Defense, transmitting, pursuant to law, a report on real and personal property of the Department of Defense as of September 30, 1990; to the Committee on Armed Services.

EC–1780. A communication from the Chief of the Special Actions Branch, Congressional Inquiry Division, Department of the Army, transmitting, pursuant to law, the results of a cost comparison study of the installation supply function at the Military Ocean Terminal, Sunny Point, Southport, North Carolina; to the Committee on Armed Services.

EC–1781. A communication from the Chairman and Members of the Kaho'olawe Island Conveyance Commission, transmitting, pursuant to law, the interim report of the Commission; to the Committee on Armed Services.

EC–1782. A communication from the General Counsel of the Department of Defense, transmitting, pursuant to law, a copy of an Executive Order which updates the Manual for Courts-Martial; to the Committee on Armed Services.

EC–1783. A communication from the Secretary of Energy, transmitting, pursuant to law, recommendations with respect to public health and safety at the Department of Energy's defense nuclear facilities; to the Committee on Armed Services.

EC–1784. A communication from the Chief of the Special Actions Branch, Congressional Inquiry Division, Department of the Army, transmitting, pursuant to law, a report on the decision to convert the organizational maintenance and dispatch function at Fort Sill, Oklahoma to an in-house operation; to the Committee on Armed Services.

EC–1785. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a transaction involving United States exports to Mexico; to the Committee on Banking, Housing, and Urban Affairs.

EC–1786. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a transaction involving United States exports to Mexico; to the Committee on Banking, Housing, and Urban Affairs.

EC–1787. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a transaction involving United States exports to the Republic of Ireland; to the Committee on Banking, Housing, and Urban Affairs.

EC–1788. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report with respect to a transaction involving United States exports to Algeria; to the Committee on Banking, Housing, and Urban Affairs.

EC–1789. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on adjustment to Foreign Policy Export Controls Required by Core List Implementation; to the Committee on Banking, Housing, and Urban Affairs.

EC–1790. A communication from the President of the Oversight Board, Resolution Trust Corporation, transmitting, pursuant to law, a report on the savings associations for which the Director has determined grounds exist, or are likely to exist in the current fiscal year and in the next fiscal year, for the appointment of a conservator or receiver under the Home Owner's Loan Act; to the Committee on Banking, Housing, and Urban Affairs.

EC–1791. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a transaction involving United States exports to Greece; to the Committee on Banking, Housing, and Urban Affairs.

EC–1792. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a transaction involving United States exports to Mexico; to the Committee on Banking, Housing, and Urban Affairs.

EC–1793. A communication from the First Vice President and Vice Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a transaction involving United States exports to the State of Bahrain; to the Committee on Banking, Housing, and Urban Affairs.

EC–1794. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report on a transaction involving United States exports to Mexico; to the Committee on Banking, Housing, and Urban Affairs.

EC-1795. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the annual report on the operations of the Exchange Stabilization Fund for fiscal year 1990; to the Committee on Banking, Housing, and Urban Affairs.

EC-1796. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Financial Audit: FSLIC Resolution Fund's 1989 Financial Statements"; to the Committee on Banking, Housing, and Urban Affairs.

EC-1797. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report on the operation and efficiency of the Buffalo Metropolitan Housing Authority; to the Committee on Banking, Housing, and Urban Affairs.

EC-1798. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cost estimate for pay-as-you-go calculations; to the Committee on the Budget.

EC-1799. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, an estimate for pay-as-you-go calculations; to the Committee on the Budget.

EC-1800. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, an estimate for pay-as-you-go calculations; to the Committee on the Budget.

EC-1801. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the administration of the provisions of Title IV of the Outer Continental Shelf Lands Act for calendar year 1990; to the Committee on Commerce, Science, and Transportation.

EC-1802. A communication from the Secretary of State and the Secretary of Commerce, transmitting jointly, pursuant to law, a report on the allocation of surplus Atlantic mackerel during calendar year 1990; to the Committee on Commerce, Science, and Transportation.

EC-1803. A communication from the Chairman of the Consumer Product Safety Commission, transmitting, pursuant to law, the first annual report on implementation of the Fire Safe Cigarette Act of 1990; to the Committee on Commerce, Science, and Transportation.

EC-1804. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, a report on progress in developing and certifying the traffic alert and collision avoidance system for the months of February through June, 1990; to the Committee on Commerce, Science, and Transportation.

EC-1805. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1806. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on activities undertaken with respect to the development of the Strategic Petroleum Reserve for the period April 1 through June 30, 1991; to the Committee on Energy and Natural Resources.

EC-1807. A communication from the Secretary of Energy, transmitting, pursuant to law, a report entitled "Summary of Expenditures of Rebates from the Low-Level Radioactive Waste Surcharge Escrow Account for Calendar Year 1990"; to the Committee on Energy and Natural Resources.

EC-1808. A communication from the Assistant Secretary of Energy (Conservation and Renewable Energy), transmitting, pursuant to law, notice of a date for submission of a report on Federal Government Energy Management and Conservation Programs; to the Committee on Energy and Natural Resources.

EC-1809. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1810. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1811. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1812. A communication from the Secretary of the Interior, transmitting, pursuant to law, the Federal Coal Management Report for fiscal year 1990; to the Committee on Energy and Natural Resources.

EC-1813. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-1814. A communication from the Inspector General of the Federal Emergency Management Agency, transmitting, pursuant to law, the annual audit report of the Agency's administration of the permanent and temporary relocation of the Superfund Program; to the Committee on Environment and Public Works.

EC-1815. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report on environmental monitoring of Organotin for the period June 1988 to March 1991; to the Committee on Environment and Public Works.

EC-1816. A communication from the Chairman of the Physician Payment Review Commission, transmitting, pursuant to law, a notice of proposed rulemaking; to the Committee on Finance.

EC-1817. A communication from the President of the United States, transmitting, pursuant to law, a waiver of the application of certain sections of the Trade Act with respect to Romania; to the Committee on Finance.

EC-1818. A communication from the President of the United States, transmitting, pursuant to law, a report on the emigration laws and policies of the Republic of Hungary; to the Committee on Finance.

EC-1819. A communication from the Administrator of the Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, proposed regulations relative to a national Medicare physician fee schedule; to the Committee on Finance.

EC-1820. A communication from the General Counsel of the Department of the Treasury, transmitting a draft of proposed legislation to authorize appropriations for the Department of the Treasury for unforeseen emergencies of a confidential nature; to the Committee on Finance.

EC-1821. A communication from the United States Trade Representative, transmitting, pursuant to law, a report on implementation of section 301 of the Trade Act for the period January through June 1991; to the Committee on Finance.

EC-1822. A communication from the Acting Chairman of the United States International Trade Commission, transmitting, pursuant to law, the quarterly report on trade between the United States and the nonmarket economy countries for January through March 1991; to the Committee on Finance.

EC-1823. A communication from the Secretary of Labor, transmitting, pursuant to law, the quarterly report on the expenditure and need for Worker Adjustment Assistance Training Funds for the quarter ended June 30, 1991; to the Committee on Finance.

EC-1824. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to August 15, 1991; to the Committee on Foreign Relations.

EC-1825. A communication from the Acting Secretary of State, transmitting, pursuant to law, the Presidential determination and explanation for certification of the United States contribution to the International Fund for Ireland; to the Committee on Foreign Relations.

EC-1826. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the twenty-fourth 90-day report on the investigation into the death of Enrique Camarena, the investigations into the disappearance of United States citizens in the State of Jalisco, Mexico, and the general safety of United States tourists in Mexico; to the Committee on Foreign Relations.

EC-1827. A communication from the Acting Administrator of the Agency for International Development, transmitting, pursuant to law, the annual report on Title XII—Famine Prevention and Freedom from Hunger, for fiscal year 1990; to the Committee on Foreign Relations.

EC-1828. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the sixty day period prior to August 1, 1991; to the Committee on Foreign Relations.

EC-1829. A communication from the President of the United States, transmitting, pursuant to law, a report on the activities of the United States Government departments and agencies related to preventing nuclear proliferation for calendar year 1990; to the Committee on Foreign Relations.

EC-1830. A communication from the Director of the Division of Commissioned Personnel, Public Health Service, Department of Health and Human Services, transmitting, pursuant to law, the annual audit report on the condition of the Public Health Service Commissioned Corps Retirement System for

the plan year ended September 30, 1991; to the Committee on Governmental Affairs.

EC-1831. A communication from the Manager for Compensation and Benefits, National Bank for Cooperatives, transmitting, pursuant to law, the annual audit report on the National Bank for Cooperatives Retirement Trust Fund for the plan year ending December 30, 1990; to the Committee on Governmental Affairs.

EC-1832. A communication from the Chairman of the Federal Energy Regulatory Commission, transmitting, pursuant to law, the annual report under the Government in the Sunshine Act for calendar year 1990; to the Committee on Governmental Affairs.

EC-1833. A communication from the Co-Chairmen of the Indian Nations at Risk Task Force, transmitting, pursuant to law, the annual report of the Task Force for fiscal year 1990; to the Select Committee on Indian Affairs.

EC-1834. A communication from the Chairman of the National Advisory Council on Indian Education, transmitting, pursuant to law, the annual report of the Council for fiscal year 1990; to the Select Committee on Indian Affairs.

EC-1835. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on the number of providers of health care that will be needed by Indian health programs, by location and profession, during fiscal years 1990, 1991, and 1992; to the Select Committee on Indian Affairs.

EC-1836. A communication from the Director and Commissioner of the Federal Bureau of Prisons, Department of Justice, transmitting, pursuant to law, an independent market study conducted on Federal Prison Industries, Inc.; to the Committee on the Judiciary.

EC-1837. A communication from the Chairman of the United States Sentencing Commission, transmitting, pursuant to law, a report on Mandatory Minimum Penalties in the Federal Criminal Justice System; to the Committee on the Judiciary.

EC-1838. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the 1989 annual report on the National Health Service Corps, the National Health Service Corps Scholarship Program, and the National Health Service Corps Loan Repayment Program; to the Committee on Labor and Human Resources.

EC-1839. A communication from the Secretary of Education, transmitting a draft of proposed legislation to revise and extend the statutory authorities for the Office of Educational Research and Improvement, the National Center for Educational Statistics, and the National Assessment of Educational Progress, to simplify and make more flexible certain program authorities, and for other purposes; to the Committee on Labor and Human Resources.

EC-1840. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final priority for fiscal year 1991—Program of Protection and Advocacy of Individual Rights; to the Committee on Labor and Human Resources.

EC-1841. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final funding priorities for fiscal year 1991—Fund for Innovation in Education: Innovation in Education Program; to the Committee on Labor and Human Resources.

EC-1842. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final priorities for fiscal year 1991—Rehabilitation Short-Term Training; to the Committee on Labor and Human Resources.

EC-1843. A communication from the Secretary of Education, transmitting, pursuant to law, Final Priority for the Minority Teacher Training Project—Fiscal Year 1992; to the Committee on Labor and Human Resources.

EC-1844. A communication from the Secretary of Education, transmitting, pursuant to law, notice of Final Funding for Outreach to Minority Entities; to the Committee on Labor and Human Resources.

EC-1845. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final funding priorities and selection criteria for the Program for Children and Youth With Serious Emotional Disturbance; to the Committee on Labor and Human Resources.

EC-1846. A communication from the Presiding Officer of the Advisory Council on Education Statistics, transmitting, pursuant to law, the annual report of the Council for fiscal year 1990; to the Committee on Labor and Human Resources.

EC-1847. A communication from the Chairman of the National Advisory Committee on International Education Programs, transmitting, pursuant to law, the annual report of the Committee for fiscal year 1990; to the Committee on Labor and Human Resources.

EC-1848. A communication from the Chairman of the National Council on Vocational Education, transmitting, pursuant to law, a report on workforce needs in various industries; to the Committee on Labor and Human Resources.

EC-1849. A communication from the Chairman of the Fund for the Improvement and Reform of Schools and Teaching Board, transmitting, pursuant to law, the annual report of the Board for fiscal year 1990; to the Committee on Labor and Human Resources.

EC-1850. A communication from the Chairman of the National Board of the Fund for the Improvement of Postsecondary Education, transmitting, pursuant to law, the annual report of the Board for fiscal year 1990; to the Committee on Labor and Human Resources.

EC-1851. A communication from the National Advisory Committee on Accreditation and Institutional Eligibility, transmitting, pursuant to law, the annual report of the Committee for fiscal year 1990; to the Committee on Labor and Human Resources.

EC-1852. A communication from the Chairman of the Intergovernmental Advisory Council on Education, transmitting, pursuant to law, the annual report of the Council for fiscal year 1990; to the Committee on Labor and Human Resources.

EC-1853. A communication from the Chairman of the National Center for Education Statistics, Office of Educational Research and Improvement, Department of Education, transmitting, pursuant to law, the report of the Special Study Panel on Education Indicators; to the Committee on Labor and Human Resources.

EC-1854. A communication from the Chairman of the National Advisory Council on Educational Research and Improvement, transmitting, pursuant to law, the annual report of the Council for fiscal year 1990; to the Committee on Labor and Human Resources.

EC-1855. A communication from the Chairman of the Advisory Committee on Student Financial Assistance, transmitting, pursuant to law, the annual report of the Committee for fiscal year 1990; to the Committee on Labor and Human Resources.

EC-1856. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for training and public awareness projects of national significance in technology-related assistance for individuals with disabilities; to the Committee on Labor and Human Resources.

EC-1857. A communication from the Secretary of Education, transmitting, pursuant to law, notice of final priority—National Institute on Disability and Rehabilitation Research—Americans With Disabilities Act; to the Committee on Labor and Human Resources.

EC-1858. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report of the Administration on Aging for fiscal year 1990; to the Committee on Labor and Human Resources.

EC-1859. A communication from the Secretary of Education, transmitting, pursuant to law, the annual report of the National Technical Institute for the Deaf for fiscal year 1990; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on the Judiciary, without amendment:

S. 862. A bill to provide for a demonstration program for voir dire examination in certain criminal cases, and for other purposes (Rept. No. 102-142).

S. 865. A bill to provide for a demonstration program for voir dire examination in certain civil cases, and for other purposes (Rept. No. 102-143).

By Mr. BURDICK, from the Committee on Environment and Public Works, without amendment:

S. 627. A bill to designate the lock and dam 1 on the Red River Waterway in Louisiana as the "Lindy Claiborne Boggs Lock".

S. 1418. A bill to designate the Federal building located at 78 Center Street in Pittsfield, Massachusetts, as the "Silvio O. Conte Federal Building", and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. WOFFORD:

S. 1694. A bill to require the Secretary of Defense and the Defense Base Closure and Realignment Commission to make recommendations in 1993 and 1995 for the termination and reduction of United States military operations at military installations outside the United States; to the Committee on Armed Services.

By Mr. COATS:

S. 1695. A bill to facilitate the provision of emergency loans to farmers who lost their crops in 1991 due to a natural disaster; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BAUCUS:

S. 1696. A bill to designate certain National Forest lands in the State of Montana as wilderness, to release other National Forest lands in the State of Montana for multiple use management, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. SPECTER (for himself, Mr. SIMON, Mr. DECONCINI, Mr. HATCH, Mr. BIDEN and Mr. KENNEDY):

S. 1697. A bill to amend Title IX of the Civil Rights Act of 1968 to increase the penalties for violating the fair housing provisions of the Act, and for other purposes; to the Committee on the Judiciary.

By Mr. SARBANES:

S. 1698. A bill to establish a National Fallen Firefighters Foundation; to the Committee on Commerce, Science, and Transportation.

By Mr. DODD (for himself, Mr. RIEGLE, Mr. GARN, Mr. D'AMATO, Mr. DIXON, Mr. SASSER, Mr. WIRTH, Mr. SHELBY, Mr. BOND, Mr. BRYAN and Mrs. KASSEBAUM):

S. 1699. A bill to prevent false and misleading statements in connection with offerings of government securities; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LUGAR (for himself, Mr. COATS, Mr. DOLE, and Mr. LEAHY):

S. 1700. A bill to amend the Food Stamp Act of 1977 to modify the application of such Act to disabled railroad annuitants, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. HARKIN (for Mr. MITCHELL):

S. Res. 174. A resolution to appoint a Senator to the Senate Select Committee on Ethics, pursuant to the provisions of Senate Resolution 169 of the 102d Congress; considered and agreed to.

By Mr. PRESSLER:

S. Res. 175. A resolution to support the activities of the Peace Corps in Estonia, Latvia, and Lithuania; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. WOFFORD:

S. 1694. A bill to require the Secretary of Defense and the Defense Base Closure and Realignment Commission to make recommendations in 1993 and 1995 for the termination and reduction of U.S. military operations at military installations outside the United States; to the Committee on Armed Services.

FOREIGN BASE CLOSINGS LEGISLATION

• Mr. WOFFORD. Mr. President, every year, the United States spends more than a hundred billion dollars to subsidize the defense of our most prosperous and economically competitive allies. That's six times more than the Federal Government spends on the education of American children in a year.

The legislation I'm introducing today requires that the Base Closure and Realignment Commission include overseas military bases when it makes its next recommendations in 1993 and 1995. It simply says that decisions to close bases should not be made without looking at all our bases—including those in Europe, Asia, and elsewhere.

The Department of Defense has been given a mandate by Congress to close bases and cut troop levels overseas. That mandate is being fulfilled at a snail's pace, at best.

Since the Berlin Wall fell in 1989, United States troop levels of Europe have fallen only 10 percent. The administration plans to close 15 more foreign installations. But nine of these bases are minor facilities with fewer than 1,000 people—and some have as few as 50 people. And the largest base, the United States air base in Torrejon, Spain, isn't really closing—it is just being moved, at Spain's insistence, to a new location in Cretone, Italy.

We should compare these overseas base closures to the domestic ledger, where the bottom line for jobs has a lot more red ink, especially in my State. In 1989, 86 domestic military bases were closed, five partially closed and another 54 realigned. Now, of course, we're facing a new round of cutbacks, and nowhere more than in Pennsylvania.

The list of recommendations for base closing and realignment in the United States includes the Philadelphia Naval Shipyard and Naval Station, the Naval Air Development Center at Warminster, the Letterkenny Army Depot, all in Pennsylvania.

Pennsylvania includes only about one-twentieth of the Nation's population. But one-third of all direct civilian jobs lost from base closings nationally will come from our State.

As a matter of fact, in Philadelphia, at least 34,000 working men and women are facing unemployment and an uncertain future because of the proposed closing of the Philadelphia Naval Shipyard. Why are they bearing the brunt of defense cuts while we waste our defense dollars on unnecessary troop levels and overseas bases?

Until recently, it made sense to position hundreds of thousands of troops in Western Europe when hundreds of thousands were lined up against us in the East. But the Warsaw Pact has dissolved. The Berlin Wall has fallen. The Soviet Union no longer exists. We now need to adjust our strategy, and redefine America's role in a changing world—a world where the Soviet threat has receded, where Germany is reunited and where the economic strength of Europe and Asia have vastly increased.

Our allies already have cut their forces. Great Britain is cutting its armed services by 20 percent in 3 years. Germany is committed to a 30-percent cut over 2 years. While we do nothing more than discuss burdensharing, our allies are in the process of burden shedding.

And why shouldn't they? While we subsidize their defense, they are investing their tax dollars in educating their children, rebuilding their infrastructure, providing health care for their families, upgrading their industrial base, and improving their trade balances.

Now and in the future, our Nation's strength will depend less on our military presence and more on our ability to compete economically. This legislation will enable us to make cuts where they make the most sense—overseas. And to save our resources for our jobs and our people here at home.•

By Mr. COATS:

S. 1695. A bill to facilitate the provision of emergency loans to farmers who lost their crops in 1991 due to a natural disaster; to the Committee on Agriculture, Nutrition, and Forestry.

CROP INSURANCE WAIVER LEGISLATION

• Mr. COATS. Mr. President, as you know, over the past few months, farmers throughout America and especially the Midwest are once again facing severe crop losses due to drought.

In Indiana, many farmers and farm experts believe that the losses from the drought of 1991 may equal or surpass the devastating drought of 1988. Agriculture economists, crop specialists, and other farm experts from Purdue University are estimating that crop losses in Indiana might be as great as half a billion dollars. We know that row crop losses alone will probably be a minimum of $350 million. Other Midwestern States which make up the bulk of row-crop production in the United States are facing similar losses.

However, Mr. President, unlike the drought of 1988, even with the severity of the drought of 1991, the crop markets are not responding to the losses. Thus, not only are farmers going to see less corn and soybeans in their combines, they also are going to see substantially less dollars in their pockets. Farm economists at Purdue are estimating that with the drought of 1991 farm income in the State of Indiana may drop as much as 50 percent.

All of this falls on the shoulders of farmers already suffering under the weight of previous crop failures, skyrocketing interest rates, and other factors beyond their control. Many farmers are left asking themselves how they can possibly make it through another year—how can they possibly pay off high interest loans and still have the cash flow to plant the 1992 crop, let alone clothe and feed their families.

Today I am introducing a bill which will ease the burden on some American and Hoosier farmers which are facing the bleakest of times. The Coats crop insurance waiver bill would increase the financing options for those farmers who have been severely hurt by the drought of 1991. Under current law, only farmers who meet the criterion and have crop insurance policies would be eligible for low-interest FMHA loans. My bill, Mr. President, seeks to waive that crop insurance requirement and thus make low interest loans available to all qualifying farmers.

This bill will not affect those farmers who currently hold crop insurance poli-

cies—they will still be reimbursed at their full guaranteed rate, and also be eligible for low-interest FMHA loans if they meet the loan requirements. Some of the requirements that farmers must meet include having a loss of at least 30 percent and not being able to obtain financing through normal commercial means. It will only open up opportunities for all farmers to apply for 4.5 percent loans from the Farmers Home Administration.

This bill is a responsible means of addressing the financial hardships that farmers will be facing in the fall of 1991 and the spring of 1992. It is by no means an answer to every problem they face. It is not a Government handout. Even with this option, farmers will still struggle to make ends meet. But it will help meet some urgent needs in difficult times.

Mr. President, it is my hope that the Senate will see the suffering and support this bill. I ask unanimous consent that the full text of this bill 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. 1695

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

Effective only for the 1991 crop year, Section 321(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(b)) shall not apply to persons who otherwise would be eligible for an emergency loan under subtitle C of such Act.●

By Mr. BAUCUS:

S. 1696. A bill to designate certain National Forest lands in the State of Montana as wilderness, to release other National Forest lands in the State of Montana for multiple use management, and for other purposes; to the Committee on Energy and Natural Resources.

MONTANA WILDERNESS ACT

Mr. BAUCUS. Mr. President, I rise today to introduce the Montana National Forest Management Act of 1991. I send this bill to the desk and ask that it be printed in the RECORD following this statement.

Mr. President, history buffs know that one of the bloodiest skirmishes during the War Between the States was the Battle of the Wilderness—fought not too many miles southwest of Washington. In a tangled thicket, the armies of Generals Grant and Lee met and fought to a virtual standoff.

Almost 130 years have passed since the Battle of the Wilderness.

Yet, in Montana, we are fighting our own civil war over the wilderness. This war has raged for well over a decade.

It is a war of words.

If Congressional hearings count as battles in this war—and many of them should—it is a war of 21 hearing-battles ocurring both here and in Montana. And these hearing-battles have taken a toll or over 7,000 pages of official record.

In addition, in recent years, Senator BURNS and I have held six informal hearings in Montana. These were open forums where any Montanan with something to say could speak his or her peace. We both stayed in the room until we heard from everyone. By my count, we heard from well over 1,000 Montanians.

In addition, we have received countless thousands of letters and phone calls from Montanans with all kinds of views on this issue.

We've talked long enough. Now is the time to act; to retire Montana's battle of the wilderness to the history books.

At stake is the fate of over six million acres of currently roadless Forest Service land. Without legislation determining the uses of these lands, they will largely remain de facto wilderness—locked up from multiple use management.

And, because Congress has failed to act, this war recently claimed another casualty. Late last month, Montana's Regional Forester, the Region One Forester, John Mumma, was forced out of his job. It appears as though Mr. Mumma was forced to retire because his region failed to meet its timber targets—targets that many argue are set impossibly high.

But the truth of the matter is the Forest Service doesn't have a prayer of meeting these targets unless Congress acts to unlock the suitable timber located on roadless lands.

Time and time again, the highest ranking Forest Service officials have said the primary problem with their timber program in Montana is their inability to put up sales in roadless areas. And 24 percent of Montana's suitable timberlands are currently locked up in inventoried roadless areas. I ask that a list of some of these statements from Forest Service officials be made a part of the RECORD at the end of my statement.

Mr. President, I believe the Forest Service must be given reasonable authority to enter some of Montana's roadless lands. Otherwise, there is little hope of providing a steady, sustainable supply of timber to Montana mills.

At the same time, many of our roadless lands are wild, rugged country. For the sake of future generations, these are places richly deserving protection:

They are the headwaters of our blue ribbon trout streams;

They are the places where our wildlife seek forage and refuge;

They are the back-country where we take our families—where we go to relax, find solitude and get away from the world's troubles;

And they are the rugged peaks and spectacular vistas we enjoy from our cities and mountain valley floors.

With so much at stake, we must seek balance. We must shun one-sided solutions. We cannot turn a blind eye toward either the environment or jobs.

We can have the best of both worlds; good jobs and a healthy environment. We should settle for nothing less.

The legislation I am introducing today would make Montana an even better place to live and to work.

On the one hand, my bill protects our last, best places. These are pristine lands—our most sensitive watersheds, our best back-country recreation areas, our most breathtaking scenery, and our most critical big game and Grizzly habitat.

At the same time, this legislation would also make it easier for the Forest Service to manage the land and thereby create jobs. Its boundaries eliminate virtually every conceivable resource conflict:

All but a tiny speck of the public and private timber base would be available to the forest products industry—less than a 1-percent impact. This bill would have absolutely no effect on production from private, BLM, tribal, and State lands, where 60 percent of our logs are produced. Of the remaining 40 percent to come off Forest Service lands, 98 percent of the timber which is classified as suitable for harvest would be available for multiple use management under the Forest Plans. And release language would better enable the Forest Service to put up timber sales in roadless areas not designated wilderness or National Recreation Areas;

Mining conflicts have been eliminated. All patented mining claims would be released. In addition, wilderness boundaries have been drawn to exclude areas with the highest mineral potential;

Finally, all of Montana's groomed snowmobile trails would be excluded from wilderness. And a number of National Recreation Areas would be created, largely to enhance opportunities for motorized recreation in the back-country.

I believe my friend and colleague, Senator BURNS, will join me in trying to heal the wounds caused by this divisive issue. Indeed we simply discussed the provisions of my bill just several hours ago. I hope my colleague and I come to quick agreement. I know him to be a reasonable person who wants what's best for Montana.

I am eager to talk. I am ready to make principled compromises. And I am willing to consider specific changes striking a fair balance between protecting jobs and the environment.

While nothing in my bill is etched in stone, I believe it strikes a fair balance between the diverse interests that, collectively, make up Montana.

I have thought long and hard about this issue. After 17 years of representing the people of Montana, I believe it is time to lay this issue to rest. If we

are unable to achieve consensus, the time has come for Congress to resolve the stalement.

In order to move this process forward, I am requesting that Senator BUMPERS, the distinguished chairman of the Public Lands Subcommittee, schedule a prompt hearing and markup on my bill. My colleague from Montana is a distinguished member of that subcommittee. He will play a critical role in this process.

At the very least, if the Montana Senate delegation cannot achieve agreement prior to the markup, I believe our discussions will result in a narrowing the issues to just a few areas of disagreement.

In closing, Mr. President, it is time to lay down our swords. it is time to heal the wounds of this war. It is time to get on with the business of building the Montana of the 21st century.

That is what I intend to do.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1696

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

SECTION 1. SHORT TITLE.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "Montana National Forest Management Act of 1991."

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS—The Congress Finds That—

(1) many areas of undeveloped National Forest System lands in the State of Montana possess outstanding natural characteristics which give them high value as wilderness and will, if properly preserved, contribute as an enduring resource of wild land for the benefit of the American people;

(2) the existing Department of Agriculture Land and Resource Management Plans for Forest System lands in the State of Montana have identified areas which, on the basis of their landform, ecosystem, associated wildlife, and location will help to fulfill the National Forest System's share of a quality National Wilderness Preservation System;

(3) the existing Department of Agriculture Land and Resource Management Plans for National Forest System lands in the State of Montana and the related congressional review of such lands have also identified areas that do not possess outstanding wilderness attributes or possess outstanding energy, mineral, timber, grazing, dispersed recreation, or other values. Such areas should not be designated as components of the National Wilderness Preservation System but should be available for non-wilderness multiple uses under the land management planning process and other applicable law.

(b) PURPOSES—The purposes of this Act are to—

(1) designate certain National Forest System lands in the State of Montana as components of the National Wilderness Preservation System, in furtherance of the purposes of the Wilderness Act (16 U.S.C. 1131 et seq.), in order to preserve the wilderness character of the land and to protect watersheds and wildlife habitat, preserve scenic and historic resources, and promote scientific research, primitive recreation, solitude, and physical and mental challenge; and

(2) ensure that certain other National Forest System lands in the State of Montana be available for non-wilderness uses.

SEC. 3. WILDERNESS DESIGNATIONS.

(a) DESIGNATION.—In furtherance of the purposes of the Wilderness Act of 1964, the following lands in the State of Montana are designated as wilderness and, therefore, as components of the National Wilderness Preservation System:

(1) certain lands in the Beaverhead, Bitterroot, and Deerlodge National Forests, which comprise approximately 29,100 acres, as generally depicted on a map entitled "Anaconda-Pintler Wilderness Additions—Proposed" (North Big Hole, Storm Lake, Upper East Fork), dated September 1991, and which are hereby incorporated in and shall be deemed to be a part of the Anaconda-Pintler Wilderness;

(2) certain lands in the Beaverhead National Forest, which comprise approximately 25,000 acres, as generally depicted on a map entitled "Italian Peaks Wilderness—Proposed", dated September 1991, and which shall be known as the Italian Peaks Wilderness;

(3) certain lands in the Beaverhead National Forests, which comprise approximately 79,500 acres, as generally depicted on a map entitled "East Pioneer Wilderness—Proposed", dated September 1991, and which shall be known as the East Pioneer Wilderness;

(4) certain lands in the Beaverhead National Forests, Montana, comprising approximately 76,600 acres, as generally depicted on a map entitled "West Big Hole Wilderness—Proposed", dated September 1991, and which shall be known as the West Big Hole Wilderness;

(5) certain lands in the Bitterroot, Deerlodge, and Lolo National Forests, which comprise approximately 68,000 acres, as generally depicted on a map entitled "Stony Mountain Wilderness—Proposed", dated September 1991, and which shall be known as the Stony Mountain Wilderness;

(6) certain lands in the Bitterroot and Lolo National Forests, which comprise approximately 55,600 acres, as generally depicted on maps entitled "Selway-Bitterroot Wilderness Additions—Proposed", dated September 1991, and which are hereby incorporated in and shall be deemed to be part of the Selway-Bitterroot Wilderness;

(7) certain lands in the Custer National Forest, which comprise approximately 5,800 acres, as generally depicted on a map entitled "Lost Water Canyon Wilderness—Proposed", dated September 1991, and which shall be known as the Lost Water Canyon Wilderness;

(8) certain lands in the Custer National Forest, which comprise approximately 9,100 acres, as generally depicted on a map entitled "Absaroka Beartooth Wilderness Additions—Proposed" (Burnt Mountain, Timberline Creek, Stateline and Mystic Lake), dated September 1991, and which are hereby incorporated in and shall be deemed to be a party of the Absaroka Beartooth Wilderness;

(9) certain lands in the Deerlodge and Helena National Forests, which comprise approximately 19,000 acres, as generally depicted on a map entitled "Blackfoot Meadow-Electric Peak Wilderness—Proposed", dated September 1991, and which shall be known as the Blackfoot Meadow Wilderness;

(10) certain land in the Deerlodge National Forest, which comprise approximately 40,300 acres, as generally depicted on a map entitled "Flint Creek Range Wilderness—Proposed", dated September 1991, and which shall be known as the Flint Creek Range Wilderness;

(11) certain lands in the Flathead National Forest, which comprise approximately 68,000 acres, as generally depicted on a map entitled "North Fork Wilderness—Proposed (Tuchuck, Mount Hefty, Thompson-Seton)", dated September 1991, and which shall be known as the North Fork Wilderness;

(12) certain lands in the Flathead, Helena, Lolo, and Lewis and Clark National Forests, which comprise approximately 234,900 acres, as generally depicted on maps entitled "Arnold Bolle Additions to the Bob Marshall Wilderness—Proposed" (Silver King-Falls Creek, Renshaw, Clearwater-Monture, Deep Creek, Teton High Peak, Volcano Reef, Slippery Bill, Limestone Cave and Crown Mountain), dated September 1991, which shall be known as the Arnold Bolle-Bob Marshall Wilderness Additions and are incorporated in and shall be deemed to be a part of the Bob Marshall Wilderness;

(13) certain lands in the Flathead National Forest, which comprise approximately 960 acres, as generally depicted on a map entitled "North Mission Mountain Wilderness Additions—Proposed", dated September 1991, and which are hereby incorporated in and shall be deemed to be a part of the North Mission Mountain Wilderness;

(14) certain lands in the Flathead and Lolo National Forests comprising approximately 152,000 acres, as generally depicted on maps entitled "Jewel Basin/Swan Wilderness—Proposed", dated September 1991, and those lands comprising the west slope of the Bob Marshall Wilderness shall be deemed to be a part of the Bob Marshall Wilderness and the remaining lands shall be known as the Swan Crest Wilderness;

(15) certain lands in the Gallatin National Forest, which comprise approximately 6,500 acres, as generally depicted on a map entitled "North Absaroka Wilderness Additions—Proposed" (Republic Mountain, Dexter Point, and Tie Creek), dated September 1991, and which are hereby incorporated in and shall be deemed to be a part of the North Absaroka Wilderness;

(16) certain lands in the Gallatin National Forest, which comprise approximately 13,700 acres, as generally depicted on a map entitled "Lee Metcalf Cowboys Heaven Addition—Proposed", dated September 1991, and which are hereby incorporated in and shall be deemed to be a part of the Lee Metcalf Wilderness;

(17) certain lands in the Gallatin National Forest, which comprise approximately 22,000 acres, as generally depicted on a map entitled "Earthquake Wilderness—Proposed", dated September 1991, and which shall be known as the Earthquake Wilderness;

(18) certain lands in the Helena National Forest, which comprise approximately 26,000 acres, as generally depicted on a map entitled "Camas Creek Wilderness—Proposed", dated September 1991, and which shall be known as the Camas Creek Wilderness;

(19) certain lands in the Helena National Forest, which comprise approximately 15,000 acres, as generally depicted on a map entitled "Mount Baldy Wilderness—Proposed", dated September 1991, and which shall be known as the Mount Baldy Wilderness;

(20) certain lands in the Helena National Forest, Montana, which comprise approximately 10,500 acres, as generally depicted on a map entitled "Gates of the Mountain Wilderness Additions—Proposed" (Big Log),

dated September 1991, and which are hereby incorporated in and shall be deemed to be part of the Gates of the Mountain Wilderness;

(21) certain lands in the Helena National Forest, which comprise approximately 8,500 acres, as generally depicted on a map entitled "Black Mountain Wilderness—Proposed", dated September 1991, and which shall be known as the Black Mountain Wilderness. It is the intent of Congress that the Secretary of Agriculture, using existing statutory authority, give special attention to the acquisition and non-federally owned lands within the Black Mountain Wilderness;

(22) certain lands in the Helena National Forest, which comprise approximately 21,900 acres, as generally depicted on a map entitled "Nevada Mountain Wilderness—Proposed", dated September 1991, and which shall be known as the Nevada Mountain Wilderness;

(23) certain lands in the Kootenai National Forest, which comprise approximately 31,600 acres, as generally depicted on a map entitled "Cabinet Mountains Wilderness Additions—Proposed", dated September 1991, and which are hereby incorporated in and shall be deemed to be a part of the Cabinet Mountains Wilderness. Provided, that such wilderness designation shall be subject to the development of a downhill ski facility in the area generally depicted on a map entitled "Treasure Mountain Ski Hill—Proposed", dated September 1991, if the Forest Service grants final approval of such development within ten years from the date of enactment of this Act;

(24) certain lands in the Kootenai National Forest, which comprise approximately 50,000 acres, as generally depicted on a map entitled "Scotchman Peaks Wilderness—Proposed", dated September 1991, which shall be known as the Scotchman Peaks Wilderness;

(25) certain lands in the Kootenai National Forest, which comprise approximately 10,000 acres, as generally depicted on a map entitled "Galena Wilderness—Proposed", dated September 1991, which shall be known as the Galena Wilderness;

(26) certain lands in the Kootenai National Forest, which comprise approximately 26,400 acres, as generally depicted on a map entitled "Trout Creek Wilderness—Proposed", dated September 1991, which shall be known as the Trout Creek Wilderness;

(27) certain lands in the Kootenai National Forest, Montana, which comprise approximately 20,250 acres, as generally depicted on a map entitled "Roderick Mountain Wilderness—Proposed", dated September 1991, which shall be known as the Roderick Mountain Wilderness;

(28) certain lands in the Kootenai National Forest, which comprise approximately 4,500 acres, as generally depicted on a map entitled "Grizzly Peak Wilderness—Proposed", dated September 1991, which shall be known as the Grizzly Peak Wilderness;

(29) certain lands in the Kootenai and Lolo National Forests, which comprise approximately 17,900 acres, as generally depicted on a map entitled "Caterack Peak Wilderness—Proposed", dated September 1991, which shall be known as the Caterack Creek Wilderness;

(30) certain lands in the Lolo and Kootenai National Forests, which comprise approximately 39,000 acres, as generally depicted on a map entitled "Cube Iron/Mount Silcox Wilderness—Proposed", dated September 1991, which shall be known as the Cube Iron/Mount Silcox Wilderness;

(31) certain lands in the Lolo National Forest, which comprise approximately 94,700 acres, as generally depicted on a map entitled the "Great Burn Wilderness—Proposed", dated September 1991, which shall be known as the Great Burn Wilderness;

(32) certain lands in the Lolo National Forest, which comprise approximately 22,000 acres, as generally depicted on a map entitled "Sheep Mountain Wilderness—Proposed", dated September 1991, which shall be known as the Sheep Mountain Wilderness;

(33) certain lands in the Lolo National Forest, which comprise approximately 60,100 acres, as generally depicted on a map entitled "Quigg Peak Wilderness—Proposed", dated September 1991, which shall be known as the Quigg Peak Wilderness.

(b) MAPS AND LEGAL DESCRIPTIONS.—(1) The Secretary of Agriculture (hereinafter referred to as the "Secretary") shall file the maps referred to in this section and legal descriptions of each wilderness area designated by this section with the Committee on Energy and Natural Resources of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives, and each such map and legal description shall have the same force and effect as if included in this Act;

(2) the Secretary may correct clerical and typographical errors in the maps and the legal descriptions submitted pursuant to this section;

(3) each map and legal description referred to in this section shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture, Washington, D.C. and at the office of the Region I Forester, U.S. Forest Service, Missoula, Montana.

(c) ADMINISTRATION—Subject to valid existing rights, each wilderness area designated by this section shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act of 1964, except that, with respect to any area designated in this section, any reference to the effective date of the Wilderness Act shall be deemed to be a reference to the date of enactment of this Act.

(d) WILDERNESS AREA PERIMETERS—(1) Congress does not intend that the designation of a wilderness area in this section will lead to the creation of protective perimeters or buffer zones around wilderness areas;

(2) that non-wilderness activities or uses can be seen or heard from areas within a wilderness area should not, of itself, preclude such activities or uses up to the boundary of the wilderness area.

(e) GRAZING—The grazing of livestock, where established prior to the date of enactment of this Act, in wilderness areas designated in this section shall be administered in accordance with section 4(d)(4) of the Wilderness Act of 1964 and section 108 of an Act entitled "An Act to designate certain National Forest System Lands in the States of Colorado, South Dakota, Missouri, South Carolina, and Louisiana for inclusion in the National Wilderness Preservation System, and for other purposes" (94 Stat. 3271; 16 U.S.C. 1133 note).

(f) STATE FISH AND GAME AUTHORITY—In accordance with section 4(d)(7) of the Wilderness Act of 1964, nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the State of Montana with respect to wildlife and fish in the national forests of Montana.

(g) HUNTING—Subject to applicable law, Congress recognizes hunting as a legitimate and beneficial activity within designated wilderness areas. Nothing in this Act or the Wilderness Act of 1964 shall be construed to prohibit hunting in wilderness areas.

(h) COLLECTION DEVICES—(1) within the wilderness areas designated in this section, neither the wilderness Act of 1964 or this Act shall be construed to prevent the installation and maintenance of hydrological, meteorological, or climatological collection devices and ancillary facilities subject to such conditions as the Secretary deems desirable, where such facilities or access are essential to flood warning, flood control, and water reservoir operation purposes;

(2) Access to the devices and facilities described in paragraph (1) shall be by the means historically used, if that method is the least intrusive practicable means available.

SEC. 4. WATER RIGHTS.

(a) FINDINGS—The Congress finds that the waters within the wilderness areas designated by Section 3 of this Act are headwaters, and accordingly, this Act has no effect on the appropriation or adjudication of waters within the State of Montana.

(b) RULES OF CONSTRUCTION—Nothing in this Act—

(1) is intended or shall be construed to affect downstream appropriation of water;

(2) is intended or shall be construed to affect water rights as provided under Montana state law;

(3) is intended to affect the determination of expressed or implied reserved water rights as determined under other laws.

SEC. 5. RELEASE TO NON-WILDERNESS MULTIPLE USE.

(a) FINDINGS.—The Congress finds that—

(1) the Department of Agriculture has adequately met the wilderness study requirements of Public Law 94-557;

(2) the Land and Resource Management Plans and associated Environmental Impact Statements (hereinafter referred to as "Land and Resource Management Plans") for all the National Forests in the State of Montana have been completed as required by Section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976;

(3) the Department of Agriculture, with substantial public input, has reviewed the wilderness potential of these and other areas; and

(2) the Congress has made its own examination of National Forest System roadless areas in the State of Montana and of the environmental and economic impacts associated with alternative allocations of such areas.

(b) On the basis of such review, the Congress determines and directs that—

(1) without otherwise passing on the question of the legal and factual sufficiency of the Land and Resource Management Plans and their associated environmental impact statements for National Forest System lands in the State of Montana completed prior to the enactment of this Act, prior to the revision of such Plans decisions to allocate roadless areas to wilderness or non-wilderness categories, and the environmental analyses directly related to such allocations shall not be subject to judicial review.

(A) *Provided however*, That except for decisions allocating lands to wilderness and non-wilderness categories, nothing in this section shall preclude judicial review of Department of Agriculture decisions implementing such Plans or decisions made concerning the management of National Forest lands subsequent to their allocation to wilderness and non-wilderness categories.

(B) *Provided further*, That, except for decisions allocating lands to wilderness and non-

wilderness categories, nothing in this section shall preclude judicial review of Forest Service Regional Guides and other Departmental policies of general applicability, nor prevent a court from invalidating forest planning decisions which fail to comply with applicable law.

(2) except as specifically provided in Sections 3, 6, 7, 8, and 9 of this Act and in Public Law 95-150, with respect to the National Forest System lands in the State of Montana which were reviewed by the Department of Agriculture under Public Law 94-557, the unit plans that were in effect prior to completion of RARE II, the 1978 Forest Plan for the Beaverhead National Forest, and the Land and Resource Management Plans, that such reviews shall be deemed an adequate consideration of the suitability of such lands for inclusion in the National Wilderness Preservation System, and the Department of Agriculture shall not be required to review the wilderness option prior to the revision of the Land and Resource Management Plans, but shall review the wilderness option when such plans are revised, which revisions will ordinarily occur on a ten-year cycle, or at least every fifteen years, unless prior to that time the Secretary finds that conditions in a unit have significantly changed;

(3) those National Forest System lands in the State of Montana referred to in Paragraph (2) of this subsection which were not designated wilderness, special management, or wilderness study study areas shall be managed for multiple use in accordance with land and resource management plans pursuant to Section 6 of the Forest and Rangeland Renewable Resources Planning Act, as amended by the National Forest Management Act, and those areas need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of the initial Land and Resource Management Plans;

(4) if revised Land and Resource Management Plans for the National Forest System lands in the State of Montana are implemented pursuant to Section 6 of the Forest and Rangeland Renewable Resources Planning Act, as amended by the National Forest Management Act and other applicable law, areas not recommended for wilderness designation need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of such Plans, and areas recommended for wilderness designation shall be managed for the purpose of protecting their suitability for wilderness designation as may be required by the Forest and Rangeland Renewable Resources Planning Act, as amended by the National Forest Management Act, and other applicable law;

(5) unless expressly authorized by Congress, the Department of Agriculture shall not conduct any further statewide roadless area review and evaluation of National Forest System lands in the State of Montana for purposes of determining their suitability for inclusion in the National Wilderness Preservation System.

(c) As used in this section, and as provided in Section 6 of the Forest and Rangeland Renewable Resources Planning Act, as amended by the National Forest Management Act, the term "revision" shall not include an amendment to a land and resource management plan.

(d) Except as where specifically provided elsewhere in this Act, the provisions of this section shall also apply to those National Forest System roadless lands in the State of Montana which are less than five thousand acres in size.

SEC. 6. SPECIAL MANAGEMENT AREAS.

(a) For the purposes of conserving, protecting and enhancing the exceptional scenic, fish and wildlife, biological, educational and recreational values of certain National Forest System lands in the State of Montana, the following designations are made:

(1) The Mount Helena National Education and Recreation Area located in the Helena National Forest, comprising approximately 3,900 acres, as generally depicted on a map entitled "Mount Helena National Education and Recreation Area—Proposed", dated September 1991;

(2) The Hyalite National Education and Recreation Area located in the Gallatin National Forest, comprising approximately 18,900 acres, as generally depicted on a map entitled "Hyalite National Recreation and Education Area—Proposed", dated September 1991;

(3) The Gibson Reservoir National Recreation Area located in the Lewis and Clark National Forest, comprising approximately 24,000 acres, as generally depicted on a map entitled "Gibson Reservoir National Recreation Area—Proposed", dated September 1991;

(4) The Cottonwood Lake National Recreation Area located in the Deerlodge National Forest, and comprising approximately 8,300 acres, as generally depicted on a map entitled "Cottonwood Lake National Recreation Area—Proposed", dated September 1991;

(5) The Northwest Peak National Recreation and Scenic Area located in the Kootenai National Forest, comprising approximately 16,700 acres, as generally depicted on a map entitled "Northwest Peak National Recreation and Scenic Area—Proposed, dated July 1991;

(6) The Buckhorn Ridge National Recreation Area located in the Kootenai National Forest, comprising approximately 20,000 acres, as generally depicted on a map entitled "Buckhorn Ridge National Recreation Area—Proposed", dated September 1991;

(7) The Tenderfoot/Deep Creek National Recreation Area located in the Lewis and Clark National Forest, comprising approximately 86,000 acres, as generally depicted on a map entitled "Tenderfoot/Deep Creek National Recreation Area—Proposed", dated September 1991.

(b) The Secretary shall file the maps referred to in this section with the Committee on Energy and National Resources, United States Senate, and the Committee on Interior and Insular Affairs, United States House or Representatives, and each such map shall have the same force and effect as if included in this Act: Provided, that correction of clerical and typographical errors in such maps may be made. Each such map shall be on file and available for public inspection in the office of the Chief of the Forest Service and the office of the Region I Forester.

(c)(1) Except as otherwise may be provided in this subsection, the Secretary shall administer the areas designated in subsection (a) so as to achieve the purposes of their designation as National Recreation Areas in accordance with the laws and regulations applicable to the National Forest System;

(2) Subject to valid existing rights, all federally owned lands within the areas designated in subsection (a) are hereby withdrawn from all forms of entry, appropriation and disposal under the mining and public land laws, and disposition under the geothermal and mineral leasing laws;

(3) Management activities may be permitted by the Secretary if compatible with the purposes for which the areas were designated: Provided, That nothing in this Act shall preclude such measures which the Secretary, in his discretion, deems necessary in the event of fire, or infestation of insects or disease;

(4) The use of motorized equipment may be allowed if compatible with the purposes for which the areas are designated;

(5) The grazing of livestock, where established prior to the date of enactment of this Act shall be permitted to continue subject to applicable law and regulations of the Secretary.

(d) The Secretary shall manage the Mount Helena and Hyalite National Education and Recreation Areas with a focus on education. All management activities shall be conducted in a way that provides the public with an education on natural resource protection and management.

(e) Those Areas established pursuant to this section shall be administered as components of the National Forests wherein they are located. Land and resource management plans for the affected National Forests prepared in accordance with the Forest and Rangeland Renewable Resources Planning Act, as amended by the National Forest Management Act, shall emphasize achieving the purposes for which the areas are designated.

SEC 7. ELKHORNS NATIONAL RECREATION AND WILDLIFE AREA.

(a)(1) The area of the Helena and Deerlodge National forests comprising approximately one hundred seventy-five thousand seven hundred acres, as generally depicted on a map entitled "Elkhorns National Recreation and Wildlife Area—Proposed", dated September 1991, is hereby designated as a national recreation and wildlife area and shall hereafter be managed generally as a national recreation area that emphasizes enhancement of big game habitat. Except as otherwise provided in this subsection, the Secretary shall administer the area so as to achieve the purposes of its designation as a national recreation and wildlife area. Where compatible with such emphasis, management also shall provide for recreational opportunities and the maintenance and enhancement of habitat for non-game species.

(2) Those lands within the Elkhorns National Recreation and Wildlife Area designated as "Elkhorns-2" on the map referenced in paragraph (1) shall, notwithstanding any other provision of this section, remain roadless, except that motorized equipment may be used by the Secretary after public notice and opportunity for comment and a finding by the Secretary that such use is required for habitat improvement for fish and wildlife. Any area disturbed by such motorized equipment shall be restored to contour and revegetated with appropriate native plant species as expeditiously as possible.

(b) The Secretary shall file the map referred to in this section with the Committee on Energy and Natural Resources, United States Senate, and the Committee on Interior and Insular Affairs, House of Representatives, and the map shall have the same force and effect as if included in this Act: *Provided*, That correction of clerical and typographical errors in the map may be made. The map shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

(c) Subject to valid existing rights, all federally owned lands within the area designated as "Elkhorns-2" are hereby withdrawn from all forms of entry, appropriation and disposal under the mining and public

land laws, and disposition under the geothermal and mineral leasing laws.

(d) Management activities may be permitted by the Secretary if compatible with the purposes for which the Elkhorns National Recreational Wildlife Area was designated: *Provided*, That nothing in this Act shall preclude such measures which the Secretary, in his discretion, deems necessary in the event of fire, or infestation of insects or disease.

(e) The Elkhorns National Recreation and Wildlife Area established pursuant to this section shall be administered a component of the Helena and Deerlodge National Forests. Land and resource management plans for these National Forests prepared in accordance with the Forest and Rangeland Renewable Resources Planning Act, as amended by the National Forest Management Act, shall emphasize achieving the purposes for which the area is designated.

SEC. 8. WILDERNESS STUDY AREAS.

(a)(1) Certain lands in the Custer National Forest, comprising approximately 17,000 acres, as generally depicted on a map entitled "Line Creek Plateau Wilderness Study Area—Proposed", dated September, 1991;

(2) Certain lands on the Gallatin National Forest, comprising approximately 21,500 acres, as generally Wilderness Study Area—Proposed", dated September, 1991.

(b) The Secretary shall submit a report to the Congress containing his recommendations regarding wilderness designation for these areas no later than five years after the date of enactment of this Act.

(c) Subject to valid existing rights, the wilderness study areas designated by this section shall be managed to protect their suitability for inclusion in the National Wilderness Preservation System for a period of seven years from the date of enactment of this Act. At the end of such seven-year period, the areas shall be managed, subject to valid existing rights, in accordance with the applicable land and resource management plans.

(d) The Secretary shall file the maps referred to in this section with the Committee on Interior and Insular Affairs, United States House of Representatives and the Committee on Energy and Natural Resources, United States Senate, and each such map shall have the same force and effect as if included in this Act: *Provided*, That correction of clerical and typographical errors in these maps may be made. Each map shall be on file and available for public inspection in the office of the Chief of the Forest Service and the Regional I Forester.

SEC. 9. BADGER-TWO MEDICINE AREA.

(a)(1) Subject to valid existing rights, all federally owned lands as depicted on a map entitled "Badger-Two Medicine Area" dated September 1991, comprising approximately 116,600 acres, are withdrawn from all forms of entry, appropriation, and disposal under the mining and public land laws and from disposition under the geothermal and mineral leasing laws. Until otherwise directed by Congress, the Secretary shall manage this area so as to protect its currently existing wilderness qualities;

(2) Nothing in this section shall preclude the gathering of timber by the Blackfeet Tribe in exercise of valid treaty rights within the Badger-Two Medicine Area;

(3)(A) With respect to oil and gas leases on Federal lands within the Badger-Two Medicine Area, no surface distrubance shall be permitted pursuant to such leases until Congress determines otherwise;

(B) Notwithstanding any other law, the term of any oil and gas lease subject to the limitations imposed by this section shall be extended for a period of time equal to the term that such limitation remains in effect.

(b) The Secretary shall conduct a review of this area in accordance with the Wilderness Act of 1964 and the following provisions. Within five years of the date of enactment of this Act, the Secretary shall report his findings to Congress. In conducting this review, the Secretary shall:

(1) establish a committee composed of representatives of the Blackfeet Tribal Business Council, the Pikuni traditionalist Association, the National Park Service, and representatives of the user public including environmental groups and representatives of user industry groups. The Committee shall regularly advise the Secretary of the development of the report and submit its findings to Congress along with those of the Secretary;

(2) special consideration shall be given to the religious, wilderness and wildlife uses of the area, taking into account any treaties the United States has entered into with the Blackfeet Nation; and

(3) in consultation with the Committee, the Secretary shall establish a process to provide information to the Tribe and interested public about options for future designation of the Badger-Two Medicine Area.

SEC. 10. PLUM CREEK LAND EXCHANGE—PORCUPINE AREA.

(A) IN GENERAL.—The Secretary of Agriculture shall, notwithstanding any other law, exchange lands and interests in lands with Plum Creek Timber, L.P. (referred to in this section as the "company") in accordance with this section.

(b) DESCRIPTION OF LANDS.—(1) If the company offers to the United States the fee title to approximately 8,130.67 acres of land of the company which is available for exchange to the United States as depicted on a map entitled "Plum Creek Timber and Forest Service Proposed Porcupine Land Exchange", dated May 20, 1988, the Secretary of the Interior shall accept a warranty deed to such land and, in exchange therefor, and subject to valid existing rights, convey by patent the fee title to approximately 9,181.74 acres of National Forest System lands available for exchange to the company as depicted on such map, subject to—

(A) the reservation of ditches and canals as required by the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-one, and for other purposes", approved August 30, 1890 (26 Stat. 391; 43 U.S.C. 945);

(B) the reservation of rights under Federal oil and gas lease numbers 49432, 32843 and 55325; and

(C) such other terms conditions reservations and exceptions as may be agreed upon by the Secretary of Agriculture and the company.

(2) On termination or relinquishment of the leases referred to in paragraph (1)(B), all the rights and interests in land granted therein shall immediately vest in the company, its successors and assigns, and the Secretary of Agriculture shall give notice of that event by a document suitable for recording in the county wherein the leased lands are situated.

(c) EASEMENTS.—At closing on the conveyances authorized by this section:

(1) in consideration of the easements conveyed by the company as provided in paragraph (2), the Secretary of Agriculture shall execute and deliver to the company easements over federally owned lands for such existing or future roads as are needed to provide the company, its successors and assigns, access to company-owned lands.

(2) in consideration of the easements conveyed by the United States as provided in paragraph (1) the company shall execute and deliver to the United States easements over company-owned lands for such existing or future roads as are needed to provide the United States, and its assigns, access to federally owned lands.

(3) road easements conveyed pursuant to this subsection shall be in the form customarily used by the Forest Service and cooperators for cost-shared roads in Road Right-of-Way Construction and Use Agreements.

(d) REVOCATION OF ORDER OF WITHDRAWAL.—The order of withdrawal contained in Executive Order No. 30-Montana 7-Phosphate Reserve, dated October 9, 1917 (960 acres, more or less), insofar as it applies to the lands conveyed by the United States in the transactions authorized by this section, is revoked.

(e) MAPS.—The maps referred to in subsection (b) are subject to such minor corrections as the Secretary of Agriculture and the company may agree to. The Secretary of Agriculture shall notify the appropriate committees of Congress of any correction made pursuant to this subsection.

(f) TIMING OF TRANSACTION.—It is the sense of Congress that the conveyances authorized by this section should be completed within 90 days after the date of the enactment of the Act.

(g) FOREST LANDS.—All lands conveyed to the United States pursuant to this section shall be national forest lands administered by the Secretary of Agriculture.

SEC. 11. PLUM CREEK LAND EXCHANGE-GALLATIN AREA.

(a) IN GENERAL.—The Secretary of Agriculture shall, notwithstanding any other law, acquire, by exchange and cash equalization in the amount of $3,400,000, certain lands and interests in land of the Plum Creek Timber, L.P. (referred to in this section as the "company") in and adjacent to the Hyalite-Porcupine-Buffalo Horn Wilderness Study Area, the Scapegoat Wilderness Area, and other land in the Gallatin National Forest in accordance with this section.

(b)(1) DESCRIPTION OF LANDS.—If the company offers to the United States the fee title to approximately 37,752.15 acres of land of the company which is available for exchange to the United States as depicted on a map entitled "Plum Creek Timber and Forest Service Proposed Gallatin Land Exchange", dated May 20, 1988, the Secretary of the Interior shall accept a warranty deed to such land and, in exchange therefor, and subject to valid existing rights, convey by patent the fee title to approximately 12,414.06 acres of National Forest System lands available for exchange to the company as depicted on such map, subject to—

(A) the reservation of ditches and canals required by the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-one, and for other purposes", approved August 30, 1890 (26 Stat. 391; 43 U.S.C. 945);

(B) the reservation of rights under Federal Oil and Gas Lease numbers 49739, 55610, 23290, 29230, 40389, 53670, 40215, 38678, 33385, 53736, and 38684; and

(C) such other terms conditions, reservations and exceptions as may be agreed upon by the Secretary of Agriculture and the company.

(2) On termination or relinquishment of the leases referred to in paragraph (1), all the rights and interests in land granted therein shall immediately vest in the company, its successors and assigns, and the Secretary of Agriculture shall give notice of that event by a document suitable for recording in the county wherein the leased lands are situated.

(c) EASEMENTS.—At closing on the conveyances authorized by this section:

(1) in consideration of the easements conveyed by the company as provided in paragraph (2), the Secretary of Agriculture shall execute and deliver to the company to easements for such existing or future roads as are needed to provide the company, its successors and assigns, access to company-owned lands.

(2) in consideration of the easements conveyed by the United States as provided in paragraph (1), the company shall execute and deliver to the United States easements over company-owned lands for such existing or future rights-of-way as are needed to provide the United States, and its assigns, access to federally owned lands.

(3) road easements conveyed pursuant to this subsection shall be in the form customarily used by the Forest Service and cooperators for cost-shared roads in Road Right-of-Way Construction and Use Agreements.

(d) MAPS.—The maps referred to in subsection (b) are subject to such minor corrections as the Secretary of Agriculture and the company may agree to. The Secretary of Agriculture shall notify the appropriate Committees of Congress of any corrections made pursuant to the subsection.

(e) TIMING OF TRANSACTION.—It is the sense of Congress that the acquisition authorized pursuant to this section should be completed within 90 days after the date of enactment of an Act making the appropriation authorized by subsection (g).

(f) FOREST LANDS.—All lands conveyed to the United States pursuant to this section shall be national forest lands administered by the Secretary of Agriculture.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section the sum of $3,400,000, which amount the Secretary shall, when appropriated, pay to the company to equalize the value of the exchange of land authorized by this section.

SEC. 12. SEVERED MINERALS EXCHANGE.

(a) FINDINGS.—The Congress finds that—

(1) underlying certain areas in Montana described in subsection (b) are mineral rights owned by subsidiaries of Burlington Resources, Inc. (referred to in this section as the "company");

(2) there are federally owned minerals underlying lands of the company lying outside those areas;

(3) the company has agreed in principle with the Department of Agriculture to an exchange of mineral rights to consolidate surface and subsurface ownerships and to avoid potential conflicts with the surface management of such areas; and

(4) it is desirable that an exchange be completed within 2 years after the date of enactment of this Act.

(b) DESCRIPTION OF MINERAL INTERESTS.—(1) Pursuant to an exchange agreement between the Secretary of Agriculture and the company, the Secretary of Agriculture may acquire mineral interests owned by the company or an affiliate of the company thereof underlying surface lands owned by the United States located in the areas depicted on the maps entitled "Severed Minerals Exchange, Clearwater-Monture Area", dated September 1988 and "Severed Minerals Exchanges, Gallatin Area", dated September 1988, or in fractional sections adjacent to those areas.

(2) In exchange for the mineral interests conveyed to the Secretary of Agriculture pursuant to paragraph (1), the Secretary of the Interior shall convey, subject to valid existing rights, such federally owned mineral interests as the Secretary of Agriculture and the company may agree upon.

(c) EQUAL VALUE.—(1) The value of mineral interests exchanged pursuant to this section shall be approximately equal based on available information.

(2) To assure that the wilderness or other natural values of the areas are not affected, a formal appraisal shall not be required for any mineral interest proposed for exchange, but the Secretary of Agriculture and the company shall fully share all available information on the quality and quantity of mineral interests proposed for exchange.

(3) In the absence of adequate information regarding values of minerals proposed for exchange, the Secretary of Agriculture and the company may agree to an exchange on the basis of mineral interests of similar development potential, geologic character, and similar factors.

(d) IDENTIFICATION OF FEDERALLY OWNED MINERAL INTERESTS.—(1) Subject to paragraph (2), mineral interests conveyed by the United States pursuant to this section shall underlie lands the surface of which are owned by the company.

(2) If there are not sufficient federally owned mineral interests of approximately equal value underlying Company lands, the Secretary of Agriculture and the Bureau of Land Management may identify for exchange any other federally owned mineral interest in land in the State of Montana of which the surface estate is in private ownership.

(e) CONSULTATION WITH BLM.—(1) The Secretary shall consult with the Bureau of Land Management in the negotiation of the exchange agreement authorized by subsection (b), particularly with respect to the inclusion in such an agreement of a provision calling for the exchange of federally owned mineral interests lying outside the boundaries of units of the National Forest System.

(2) Notwithstanding any other law, the Secretary of the Interior shall convey the federally owned mineral interests identified in a final exchange agreement between the Secretary of Agriculture and the company and its affiliates.

(f) DEFINITION.—For purposes of this section, the term "mineral interests" includes all locatable and leasable minerals, including oil and gas, geothermal resources, and all other subsurface rights.

(g) ENVIRONMENTAL LAW.—The execution and performance of an exchange agreement and the taking of other actions pursuant to this section shall not be deemed a major Federal action significantly affecting the quality of the environment within the meaning of section 102 of the National Environmental Policy Act of 1969 (42 U.S.C. 4332), nor shall they require the preparation of an environmental assessment under that Act.

SEC. 13. LANDS ADMINISTERED BY THE BUREAU OF LAND MANAGEMENT.

(a) FINDING.—The Congress has sufficiently reviewed the suitability of the Bitter Creek Wilderness Study Area (MT-064-356, BLM Wilderness Study Number) and approximately 2,500 acres of the Axolotl Lakes Wilderness Study Area (MT-076-069, BLM Wilderness Study Number) as generally depicted on a map entitled "Axolotl Lakes WSA", dated March 1990, for wilderness designation and finds that those lands have been sufficently studied for wilderness pursuant to section 603 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1782).

(b) DIRECTION.—The Congress directs that the areas described in subsection (a) are no longer subject to the requirement of section 603(c) of the Federal Land Policy and Management Act of 1976 pertaining to management in a manner that does not impair suitability for preservation as wilderness.

SEC. 14. MISCELLANEOUS PROVISIONS.

(a) Those lands comprising the Rattlesnake National Recreation Area and Wilderness, as designated in Public Law 96-476 are hereby redesignated as the "Rattlesnake National Education and Recreatio Area and Wilderness".

(b) All acreages cited in this Act are approximate and in the event of discrepancies between cited acreage and the lands depicted on referenced maps, the maps shall control.

(c) It is the policy of Congress that the Forest Service acquire and maintain reasonable public access to National Forest System lands in the State of Montana.

SEC. 15. AUTHORIZATION OF APPROPRIATIONS.

(a) There are authorized to be appropriated—

(1) such sums as are necessary for the development of a wilderness education and ranger training complex at the Ninemile Ranger Station, Lolo National Forest, Montana; and

(2) such sums as are necessary to carry out this Act.

By Mr. SPECTER (for himself, Mr. SIMON, Mr. DECONCINI, Mr. HATCH, Mr. BIDEN, and Mr. KENNEDY):

S. 1697. A bill to amend title IX of the Civil Rights Act of 1968 to increase the penalties for violating the fair housing provisions of the act, and for other purposes; to the Committee on the Judiciary.

FAIR HOUSING RIGHTS AMENDMENTS ACT

Mr. SPECTER. Mr. President, today I am reintroducing a bill I first introduced as S. 2966 in the 101st Congress, the Fair Housing Rights Amendments Act. This bill, which was drafted at the behest of the Department of Justice and enjoys the support of the administration and a bipartisan group of cosponsors, closes a gap in the criminal provisions of the Fair Housing Act, title IX of the Civil Rights Act of 1968. Although the bill was unanimously polled out of the Subcommittee on the Constitution of the Judiciary Committee last year, there was not sufficient time for its consideration by the full committee.

Current law proscribes the use of intimidation, force, or threat of force to willfully injure, intimidate, or interfere with a person's exercise of rights secured by Federal fair housing laws. Unless acting as part of conspiracy, a person who violates this provision may not be prosecuted for a felony under Federal law unless death or injury results. Thus, the Civil Rights Division of the Department of Justice has been

presented with cases in which homes were fire-bombed and destroyed for the purpose of intimidating the residents, but because, thankfully, no deaths or injuries resulted, these crimes could not be prosecuted as felonies under the fair housing laws.

This gap in the law is what this legislation is designed to correct. The legislation would make it a felony for an individual acting alone to use force, or the threat of force to intimidate or interfere with the exercise of rights guaranteed by the Fair Housing Act if the defendant's action results in property damage exceeding $100 or if the defendant uses or carries a firearm in the commission of the offense. If these conditions are not satisfied, then the violation would remain a misdemeanor.

In addition, the legislation would strengthen the penalties available for criminal intimidation under the fair housing laws. The bill increases fines for misdemeanor and felony violations, although it leaves the potential jail sentences unaffected except to the extent that the bill establishes a sentence of up to 5 years for the new substantive violation established in the legislation.

Mr. President, this legislation is needed to close a gap in the fair housing laws. This legislation meets that need, and enjoys the support of the Justice Department and a bipartisan group of cosponsors. I urge my colleagues to support this legislation, on which I intend to seek prompt action.

I ask for unanimous consent that a copy of the bill be printed in the RECORD.

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

S. 1697

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 "Fair Housing Rights Amendments Act of 1991".

SEC. 2. PENALTIES FOR ACTS OF VIOLENCE OR INTIMIDATION.

Section 901 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes", approved April 11, 1968 (known as the 'Civil Rights Act of 1968'; Public Law 90-284; 42 U.S.C. 3631), is amended to read as follows:

"SEC. 901. PREVENTION OF INTIMIDATION IN FAIR HOUSING CASES.

"(a) UNLAWFUL ACTS.—It shall be unlawful to use force or threat of force, whether or not acting under color of law, to willfully injure, intimidate, or interfere with, or attempt to injure, intimidate, or interfere with—

"(1) any person because of the race, color, religion, sex, handicap, familial status, or national origin of the person and because the person is or has been selling, purchasing, renting, financing, occupying, or contracting or negotiating for the sale, purchase, rental, financing, or occupation of any dwelling, or applying for or participating in any service, organization, or facility relating to the business of selling or renting dwellings; or

"(2) any person because the person is, or has been, or in order to intimidate the person or any other person or any class of persons from—

"(A) participating, without discrimination on account of race, color, religion, sex, handicap, familial status, or national origin, in any of the activities, services, organizations, or facilities described in paragraph (1) of this section; or

"(B) affording another person or class of persons opportunity or protection so to participate; or

"(3) any citizen because the citizen is, or has been, or in order to discourage the citizen or any other citizen from lawfully aiding or encouraging other persons to participate, without discrimination on account of race, color, religion, sex, handicap, familial status, or national origin, in any of the activities, services, organizations, or facilities described in paragraph (1), or participating lawfully in speech or peaceful assembly opposing any denial of the opportunity so to participate.

"(b) PENALTIES.—Whoever commits an act described in subsection (a)—

"(1) shall be fined not more than $100,000, or imprisoned not more than 1 year, or both;

"(2) that results in bodily injury shall be fined not more than $250,000, or imprisoned not more than 10 years, or both;

"(3) that results in death shall be subject to imprisonment for any term of years or for life; and

"(4) that results in property damage exceeding the sum of $100, or uses or attempts to use fire in committing the act, or uses or carries a firearm while committing the act, shall be fined not more than $250,000, or imprisoned not more than 5 years, or both.

"(c) DEFINITIONS.—As used in this section:

"(1) FAMILIAL STATUS.—The term 'familial status' has the meaning given the term in section 802.

"(2) FIREARM.—The term 'firearm' has the meaning given the term in section 921(a)(3) of title 18, United States Code.

"(3) HANDICAP.—The term 'handicap' has the meaning given the term in section 802.

"(4) BODILY INJURY.—The term 'bodily injury' has the meaning given the term in section 1515(a)(5) of title 18, United States Code.".

By Mr. SARBANES:

S. 1698. A bill to establish a National Fallen Firefighters Foundation; to the Committee on Commerce, Science, and Transportation.

NATIONAL FALLEN FIREFIGHTERS FOUNDATION ACT

• Mr. SARBANES. Mr. President, today I am introducing legislation to establish a National Fallen Firefighters Foundation.

The purposes of this foundation would be to support the National Fallen Firefighters Memorial, to help fund the annual memorial service to honor firefighters who have died in the line of duty, to assist the families of fallen firefighters, and to support other efforts around the Nation to honor these heroes.

The National Memorial, located on the campus of the National Fire Academy in Emmitsburg, MD, was built by the Federal Emergency Management Agency and dedicated in October of 1981. The monument is a bronze sculpture of a Maltese Cross, a traditional symbol of the fire service, on a 7-foot pyramid of limestone. It is surrounded by plaques listing those who have died in service to their communities.

As my colleagues will recall, last year the Congress passed a joint resolution I had introduced to designate this striking monument as the official national memorial to volunteer and career firefighters who die in the line of duty. That resolution was signed on August 9, 1990, as Public Law 101-347.

The Fire Academy has always done an outstanding job in maintaining the memorial and coordinating the annual service. Few public events are more moving than this service that gathers the families of fallen firefighters from across the country together on the Fire Academy grounds. Joined by representatives of each of the national fire service organizations, the families mourn their losses while celebrating the heroic actions of their loved ones.

Mr. President, we Americans don't pause often enough to think about the enormous sacrifice that the fire service makes to protect our lives and property. When I joined in rededicating the memorial last October 13, I quoted an editorial from the Carroll County Times that I would like to read again:

> We take too many aspects of life for granted. Not thinking about a service until we need it is an easy way to think . . . But how often do we actually consider that at a moment's notice, our firefighters will risk their lives for us? Until the tragedy of a fire or some other emergency strikes, we hardly consider it at all.

The foundation that my legislation would establish would allow individuals and organizations to honor these fallen heroes and assist their families by making voluntary donations. A major redesign of the memorial site will be needed in a couple of years when all of the plaque spaces are filled. The foundation could support that important effort and the associated relandscaping.

Even more importantly, the foundation would fund the annual memorial service which cannot be paid for with appropriated funds. The service grows each year—more than 1,000 people are expected this October 13 to honor the 105 firefighters who lost their lives in the line of duty during 1990. Funding is desperately needed to cover everything from travel expenses for participating musicians to flags to present to the families of each fallen firefighter.

From time to time, a family misses the service because of limited financial resources or sends just one family representative because of prohibitive travel and lodging costs. While some fire departments are able to help with these expenses, many cannot. The foundation would help ensure that each spouse and child who wants to attend the service is financially able to do so.

My bill would also permit other forms of financial assistance, such as

scholarships for the children of fallen firefighters, to be given directly to those who have suffered such a tremendous loss. At the same time, the foundation could use funds to assist with the planning, design, and construction of local memorials across the Nation that honor fallen firefighters.

The foundation would be a charitable corporation run by a board of directors that, by statute, would include at least one volunteer firefighter, one career firefighter, and one Federal firefighter. The board would be appointed by the Administrator of the U.S. Fire Administration who would serve as an ex officio member of the board.

This legislation would have no impact on FEMA's budget. As a matter of fact, the foundation would be run completely with private donations—in line with the President's goal of encouraging private support of governmental functions.

Mr. President, I am pleased that this bill has been endorsed by the National Fire Protection Association and the International Association of Fire Fighters. I ask that a letter from the NFPA in support of the bill be included in the RECORD. I am also pleased that the Maryland State Firemen's Association, which has always played an integral role in the annual memorial service, has joined in strongly endorsing my proposal.

This legislation will ensure that our Nation's fallen fire heroes continue to receive the recognition that they deserve while providing much-needed support to their families. I invite my colleagues to join me in sponsoring this bill and I look forward to its consideration and passage.

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

NATIONAL FIRE
PROTECTION ASSOCIATION,
Quincy, MA, September 9, 1991.

Hon. PAUL S. SARBANES,
U.S. Senate,
Washington, DC.

DEAR SENATOR SARBANES: The National Fire Protection Association has long been an advocate for the health and safety of our Nation's fire fighters and produces many national standards focusing specifically on that subject.

Your proposed legislation will, without cost to the Federal Government, provide for the appropriate maintenance of the National Fallen Fire Fighters Memorial site at the National Emergency Training Center in Emmitsburg, Maryland. It will also provide support for the annual memorial service honoring the courageous men and women who have given their life for the protection of others.

Data collected by this Association indicates that each year more than 100 fire fighters forfeit their life in the name of fire protection. Surely this Nation can do no less than provide the organizational structure allowing grateful citizens to support a memorial to their sacrifice.

Therefore, NFPA strongly supports the "National Fallen Fire Fighters Foundation Act."

Sincerely,

ANTHONY R. O'NEILL,
Vice President and
Chief Operating Officer.•

By Mr. DODD (for himself, Mr. RIEGLE, Mr. GARN, Mr. D'AMATO, Mr. DIXON, Mr. SASSER, Mr. WIRTH, Mr. SHELBY, Mr. BOND, Mr. BRYAN, and Mrs. KASSEBAUM):

S. 1699. A bill to prevent false and misleading statements in connection with offerings of Government securities; to the Committee on Banking, Housing, and Urban Affairs.

GOVERNMENT SECURITIES OFFERING ENFORCEMENT ACT

• Mr. DODD. Mr. President, today I am introducing legislation making it a specific violation of the securities laws to make false or misleading statements in connection with bids for, or purchases of U.S. Government securities. This legislation responds to the shocking disclosures by Salomon Brothers, Inc., that a small number of individuals at the firm attempted to manipulate the market for Treasury securities for their own advantage. It was reported that they bid for, and bought, excessive amounts of Treasury securities, in an attempt to corner the market, squeeze their competitors, and drive up the price.

Federal regulators have told us that, in order to carry out their scheme, senior executives in the government trading department of the firm lied to the Treasury and to the Federal Reserve in submitting bids for the securities. It is alleged that they falsified documents and that they made unauthorized bids in an effort to park billions of dollars' worth of Treasury securities in the accounts of customers. Those same securities were then bought by Salomon for its own account. When Government officials raised questions at one point, they say Salomon traders acted to cover up their activity. Sadly, the top executives at the firm—one of the oldest, most respected securities firms in this country—failed to report the illegal activity of subordinates, and failed to take action to prevent the recurrence of the violations. As a consequence, Salomon traders continued to engage in these activities.

Mr. President, the U.S. Government securities market is the most important securities market in the world. Conditions in this market determine the cost to the taxpayer of financing our Government operations. It is absolutely essential that when the Treasury auctions its bills, notes, or bonds, it has broad participation from investors, who have confidence in the integrity of the market and are willing to participate in it. The broader that participation, the more liquid and efficient the market will be, with a lower cost to the American taxpayer.

As experts have pointed out, in the $2.3 trillion Treasury market, for each 1/100 of 1 percent reduction in the interest rate paid on the debt, American taxpayers will save $230 million annually. And, since all other markets use Treasury's interest rate as a benchmark, that translates into lower interest rates for home mortgage loans, consumer loans, and college loans, as well as for loans made to virtually every business in this country.

Because of the importance of this market, actions such as those reported by Salomon simply cannot be tolerated. The SEC is continuing to investigate the activities of Salomon and some of its customers—I might add, with the full cooperation of the firm's new chairman. Nonetheless, based upon what we know about the violations thus far, the SEC has clear authority under its antifraud statutes, its books and records provisions, and other authority under the Federal securities laws to bring charges and levy civil fines where appropriate. The Department of Justice is reviewing the case to determine the applicability of criminal and antitrust statutes. The Treasury and the Federal Reserve also are continuing their inquiry.

In addition, the SEC has launched a sweeping inquiry into the activities of other Government securities dealers. Altogether more than 135 subpoenas and requests for information have been issued by the SEC.

Mr. President, this is not the first time the Government securities market has been touched by scandal. Failures of a number of unregulated Government securities dealers in 1985 led to passage of the Government Securities Act of 1986, which placed all dealers under the supervision of the Treasury, the SEC and the bank regulators. But Treasury's rulemaking authority under the act expires October 1, unless it is reauthorized.

On the basis of extensive reports by the General Accounting Office, the Treasury, SEC and Federal Reserve, as well as a hearing record taking into account the views of other agencies and private sector efforts, the Banking Committee and the Senate acted in July to pass S. 1247, legislation to reauthorize the Government Securities Act. The Senate bill also authorized new sales practice rules for Government securities dealers and directed the Treasury, the SEC and the Federal Reserve to closely monitor the market and report back on the need for legislation to require greater price and volume information.

The Salomon case has added a new dimension to these long-debated issues. None of the reports issued before the revelations of Salomon's conduct suggested that there were any problems or gaps in the regulation of Government

securities auctions. The Salomon revelations have forced all of us—the regulators and the Congress—to take a long hard look at the adequacy of existing laws, rules, and policies to prevent and detect abuses in the auction of Government securities. It also has forced us to take a fresh look at whether the existing auction structure provides for the issuance of Government securities at the lowest possible cost to the American taxpayer.

Tomorrow, the Securities Subcommittee begins 2 days of hearings on the Salomon case and the broader issues related to market structure. It might take some time to fully explore the broader issues. Indeed, the Treasury, Federal Reserve and the SEC have undertaken a 90-day review of the current system, and will report back recommendations at the end of that time.

But, even before that is completed, Mr. President, there are some reforms that we know should be passed. S. 1247 contained some of these reforms, and provided important reauthorization of Treasury's rulemaking authority under the Government Securities Act. We simply cannot let that authority lapse.

In addition, in a September 3 letter to me, SEC Chairman Breeden requested legislation to supplement the antifraud and antimanipulation provisions of the exchange act with a provision that specifically makes it unlawful to use false or inaccurate information in the making of bids in Treasury auctions or in connection with the distribution of any government security. I am introducing that legislation today, and I am joined by Chairman RIEGLE and a number of my colleagues from the Banking Committee.

Mr. President, the SEC's antifraud authority is clear and far-reaching. Fraudulent or manipulative conduct that occurs in the context of a Treasury auction, or in the when-issued market for Treasury securities, falls within the scope of section 10(b) of the Securities Exchange Act of 1934. And, based on the facts that we know today, a number of the violations alleged in the recent Government securities scandal fall within the jurisdiction of this authority.

Although, as Chairman Breeden has pointed out, the coverage of current law is unquestionable, the bill we are introducing today supplements that authority and sends a clear message that any false or misleading statements in connection with bids for or purchases of Government securities, in connection with an issue of securities, is a violation of the law. This provision will alert managements of Government securities firms that they have a clear responsibility to supervise to prevent violations of this provision. As Chairman Breeden pointed out in his letter to me, this provision also will increase the ability of the New York Stock Exchange and the National Association of Securities Dealers to police the Government securities market and to develop examination procedures to test for compliance with this provision. This will greatly increase the likelihood that violations will be uncovered.

Let me also add that, just as violations of section 10(b) and rules thereunder may be prosecuted with civil fines, this new provision will bring into play the Securities Enforcement Remedies Act, which we passed last year, which authorizes stiff civil penalties for violations of the securities laws: Up to $100,000 for each violation by an individual; and up to $500,000 for each violation by a corporation.

Mr. President, it is absolutely essential that the integrity and efficiency of the Government securities market be maintained. This legislation is one important step in ensuring that the regulators, as well as the self-regulatory organizations, have the necessary authority and tools to prevent abuses in this important market. I ask unanimous consent that the text of the bill and a description of the bill be printed in the RECORD.

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

S. 1699

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 "Government Securities Offering Enforcement Act of 1991".

SEC. 2. OFFERINGS OF GOVERNMENT SECURITIES.

Section 15 of the Securities Exchange Act of 1934 (15 U.S.C. 78o) is amended by inserting after paragraph (6) of subsection (c) the following new paragraph:

"(7) In connection with any bid for or purchase of a government security related to an offering of government securities by or on behalf of an issuer, no government securities broker, government securities dealer, or bidder for or purchaser of securities in such offering shall knowingly or willfully make any false or misleading written statement or omit any fact necessary to make any written statement made not misleading.".

DESCRIPTION OF THE GOVERNMENT SECURITIES OFFERING ENFORCEMENT ACT OF 1991

The bill would amend the Securities Exchange Act of 1934 ("Exchange Act") to provide explicitly that the knowing or willful use of false or inaccurate written information in connection with the making of bids for Treasury securities, or in connection with the primary offering of any government securities (whether through the Treasury auction process or otherwise) shall constitute a violation of the federal securities laws. This provision overlaps substantially with the general antifraud provisions of the federal securities laws, but it does not create a new private right to action. Nevertheless, contracts made in violation of the provision would be voidable under section 29(b) of the Exchange Act. Written information intended to be covered by this provision would include information submitted by electronic means as well as information submitted on paper. The provision would not extend to what is understood to be "price talk" in advance of any issue of a government security.●

● Mr. RIEGLE. Mr. President, the revelations of fraudulent activity by Salomon Brothers in the Government securities market raise a host of concerns. These concerns fall into two broad categories: those related specifically to Salomon Brothers and the events that have transpired there over the last year and those related to the market for Government securities in general. Beginning tomorrow, Senator DODD will hold 2 days of hearings on these issues in the Securities Subcommittee of the Senate Banking Committee.

These hearings, and the work that will continue after these hearings, will help determine what actually happened at Salomon and how such blatant fraud occurred without the appropriate regulators noticing. We will also take this opportunity to look at broader issues related to whether we are selling our debt at the lowest cost to the taxpayer.

Congress has already enacted the laws necessary to prosecute the violations admitted by Salomon. Section 10(b) of the Securities Exchange Act provides that it shall be unlawful to use "any manipulative or deceptive device or contrivance" in connection with the purchase or sale of any security. Since this basic antifraud provision does not distinguish between different types of securities, fraudulent acts in connection with Government securities fall under the prohibitions of section 10(b).

Nonetheless, in a report to Senator DODD, Richard Breeden, Chairman of the Securities and Exchange Commission, suggested that there may be advantages to supplementing the broad prohibition of section 10(b) with a specific prohibition on fraudulent or manipulative conduct in connection with the making of bids for Treasury securities or in connection with the primary offering of Treasury securities. Chairman Breeden contends that a specific statutory prohibition might improve internal compliance in securities firms and assist the self-regulatory organizations in policing these markets.

I firmly believe that the regulators should have all the tools necessary to regulate and supervise these markets. It was for this reason that I advocated and strongly supported the Market Reform Act, the Securities Enforcement Remedies Act and the Penny Stock Reform Act, all enacted in the last Congress and it is for this reason that I am pleased to cosponsor the Government Securities Anti-Fraud Act of 1991.

I expect that the financial regulators will use these tools to uncover wrongdoing in the financial markets promptly and prosecute those who violate these laws.

Finally, let me add that the Salomon Brothers case presents a host of issues.

The most significant is that Salomon's actions may increase the cost of financing the Federal deficit. When the cost of this financing is artificially inflated by manipulation, it is the taxpayer who ultimately pays. Higher Federal Government borrowing costs translate into higher borrowing costs for every family buying a home, every consumer purchasing a car and every entrepreneur starting a business. Further, activities in the Government securities market strongly influence the value of the dollar and in turn, global markets.

Other issues relate to the methods used to sell the Treasury's debt. The Federal rulemaking process in the Government securities market is extremely informal. Rules are issued by press release, without being put out for public comment by market participants. Issues are not fully aired either before or after these rules are adopted.

The market mechanism for selling our Government debt is antiquated. Auctions for Treasury securities are conducted as if computers do not exist. It is absurd to have orders for purchases of billions of dollars of Treasury securities scribbled onto scraps of paper and stuffed into wooden boxes in the last seconds before the auction deadline. This system closes out direct competitive bidding from all but a chosen few. I see little reason to believe that this is the way to lower costs to the taxpayer, in whose name all this borrowing is being done. For whatever reason the Treasury has tended to protect the current primary dealer process from technological innovation. Clearly it is time to consider a uniform price auction and allowing more sunshine into the process.

There remain outstanding questions as to who should be the primary enforcer over this marketplace. Authority over this market seems to be divided between the Treasury, the Federal Reserve and the SEC. I also wonder whether there is an inherent conflict between the issuer also being the regulator of the Government securities market.

It is premature to have answers to these issues but they will all be considered during the next 2 days in the course of our hearings. After these hearings, I expect that the involved Government agencies—the Treasury, the Federal Reserve Board and the SEC—together with the Congress will take whatever remedial actions are appropriate.●

● Mr. D'AMATO. Mr. President, I rise today as an original cosponsor of legislation introduced by the distinguished chairman of the Securities Subcommittee, Senator DODD. This legislation prohibits fraudulent activities in connection with the bid or purchase of Government securities. These provisions augment the existing anti-fraud provisions of section 10(b) and rule 10b-5 of the Securities Exchange Act of 1934, but specifically apply to activities in the Government securities market.

The Government securities market is undisputably the most important securities market in the world. Treasury finances the national debt of approximately $3.61 trillion with Government securities. Regulation of the auction procedures for this market has historically relied in large part on an honor system among the primary dealers of Government securities.

Recent events surrounding disclosure that Salomon Brothers Inc., one of the primary dealers of Government securities, engaged in allegedly unlawful activities in connection with four auctions in a 5-month period has led Congress and the regulators to question whether there is a need for additional regulation of the auction process. Treasury, the Securities and Exchange Commission, and the Federal Reserve are currently reviewing this issue and intend to offer their recommendations within 90 days.

In the interim, my esteemed colleague from Connecticut has responded to the need for assurance to investors that violators of the auction rules will be subject to sanctions for their illegal actions. It is vital that we preserve the integrity of the Government securities marketplace and protect the taxpayers. For these reasons, I am pleased to cosponsor this legislation.●

By Mr. LUGAR (for himself, Mr. COATS, Mr. DOLE, and Mr. LEAHY):

S. 1700. A bill to amend the Food Stamp Act of 1977 to modify the application of such act to disabled railroad annuitants, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP ACT AMENDMENTS

● Mr. LUGAR. Mr. President, I rise today to introduce legislation to correct an inequity in the Food Stamp Act of 1977. My bill would ensure fair and uniform treatment of disabled persons living in group accommodations.

Under the Food Stamp Act, disabled persons who live in small public or private nonprofit group homes are eligible to receive food stamps if they receive disability payments under the Social Security act. However, disabled persons living in small group homes who receive disability payments under the Railroad Retirement Act are not eligible for food stamps. Mr. President, this situation is unfair.

I believe this disparate treatment is the result of an oversight. In fact, the general definition of elderly and disabled under the Food Stamp Act includes those receiving Railroad Retirement Act payments. Unfortunately, that definition was not carried over into the section on group homes.

My bill would fix this inconsistency and allow disabled persons receiving benefits under the Railroad Retirement Act to be treated the same as disabled persons receiving payments under the Social Security Act. In other words, disabled people in group homes who otherwise qualify for food stamps will be eligible to receive food stamps regardless of whether their disability payments come from Social Security or Railroad Retirement.

Mr. President, this is a small bill in terms of many of the issues faced by the Senate. The Congressional Budget Office has made a preliminary estimate that the cost of this bill is less than $50,000 annually. However, this bill is vitally important to the few people who would become eligible for the food assistance they need.

I am pleased to be joined by several of my colleagues in introducing this legislation and I wish to thank Mary Suter, the Indiana Food Stamp Program manager, for her help in this first step in correcting this inequity.

Mr. President, I ask unanimous consent that a copy of my bill be printed in the RECORD. I urge my colleagues to support this legislation.

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

S. 1700

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

SECTION 1. APPLICATION OF FOOD STAMP ACT OF 1977 TO DISABLED RAILROAD ANNUITANTS.

Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended by inserting after "title I, II, X, XIV, or XVI of the Social Security Act" both places it appears in subsections (g)(7) and (i) the following: ", or are individuals described in subsection (r)(7)",".●

ADDITIONAL COSPONSORS

S. 116

At the request of Mr. INOUYE, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 116, a bill to amend title 10, United States Code, to authorize certain disabled former prisoners of war to use Department of Defense commissary stores and post and base exchanges.

S. 118

At the request of Mr. INOUYE, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 118, a bill to amend title 10, United States Code, to authorize former members of the Armed Forces who are totally disabled as the result of a service-connected disability to travel on military aircraft in the same manner and to the extent as retired members of the Armed Forces are entitled to travel on such aircraft.

S. 267

At the request of Mr. REID, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 267, a bill to prohibit a State from

imposing an income tax on the pension or retirement income of individuals who are not residents or domiciliaries of that State.

S. 308

At the request of Mr. MITCHELL, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 308, a bill to amend the Internal Revenue Code of 1986 to permanently extend the low-income housing credit.

S. 446

At the request of Mr. BAUCUS, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 446, a bill to amend the Federal Unemployment Tax Act with respect to employment performed by certain employees of educational institutions.

S. 479

At the request of Mr. LEAHY, the name of the Senator from Pennsylvania [Mr. WOFFORD] was added as a cosponsor of S. 479, a bill to encourage innovation and productivity, stimulate trade, and promote the competitiveness and technological leadership of the United States.

S. 493

At the request of Mr. WOFFORD, his name 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. 551

At the request of Mr. BOND, the names of the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. BURDICK], and the Senator from Nebraska [Mr. KERREY] were added as cosponsors of S. 551, a bill to encourage States to establish Parents as Teachers Programs.

S. 567

At the request of Mr. SANFORD, the names of the Senator from Washington [Mr. ADAMS], the Senator from Minnesota [Mr. WELLSTONE], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 567, a bill to amend title II of the Social Security Act to provide for a gradual period of transition (under a new alternative formula with respect to such transition) to the changes in benefit computation rules enacted in the Social Security Amendments of 1977 as such changes apply to workers born in years after 1916 and before 1927 (and related beneficiaries) and to provide for increases in such workers' benefits accordingly, and for other purposes.

S. 588

At the request of Mr. MITCHELL, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 588, a bill to amend the Internal Revenue Code of 1986 with respect to the tax treatment of certain cooperative service organizations of private and community foundations.

S. 651

At the request of Mr. GARN, the name of the Senator from Oklahoma [Mr. NICKLES] 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. 694

At the request of Mr. HARKIN, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 694, a bill to amend title VII of the Public Health Service Act to increase the support provided to programs for the training of medical rehabilitation health personnel, to establish an Advisory Council on Allied Health, and for other purposes.

S. 747

At the request of Mr. PRYOR, the name of the Senator from Montana [Mr. BAUCUS] was added as a cosponsor of S. 747, a bill to amend the Internal Revenue Code of 1986 to clarify portions of the Code relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes.

S. 827

At the request of Mr. SHELBY, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 827, a bill to credit time spent in the Cadet Nurse Corps during World War II as creditable for Federal civil service retirement purposes for certain annuitants and certain other individuals not covered under Public Law 99-638.

S. 843

At the request of Mr. BREAUX, the names of the Senator from Alabama [Mr. SHELBY], the Senator from Washington [Mr. ADAMS], the Senator from Connecticut [Mr. DODD], and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 843, a bill to amend title 46, United States Code, to repeal the requirement that the Secretary of Transportation collect a fee or charge for recreational vessels.

At the request of Mr. HEFLIN, his name was added as a cosponsor of S. 843, supra.

S. 911

At the request of Mr. KENNEDY, the names of the Senator from Rhode Island [Mr. PELL], the Senator from Vermont [Mr. JEFFORDS], the Senator from Hawaii [Mr. INOUYE], the Senator from Alabama [Mr. HEFLIN], the Senator from Colorado [Mr. WIRTH], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of S. 911, a bill to amend the Public Health Service Act to expand the availability of comprehensive primary and preventative care for pregnant women, infants, and children and to provide grants for home-visiting services for at-risk families, to amend the Head Start Act to provide Head Start services to all eligible children by the year 1994, and for other purposes.

S. 913

At the request of Mr. BAUCUS, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor 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. 1102

At the request of Mr. MOYNIHAN, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1102, a bill to amend title XVIII of the Social Security Act to provide coverage of qualified mental health professionals services furnished in community mental health centers.

S. 1107

At the request of Mr. SHELBY, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 1107, a bill to amend title 38, United States Code, to provide for the payment, on an interim basis, of compensation, dependency, and indemnity compensation, and pension to veterans and their survivors and dependents if their claims for those benefits are not decided by the Department of Veterans Affairs within specified time limits.

S. 1129

At the request of Mr. MACK, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 1129, a bill to reduce unnecessarily burdensome financial institution paperwork and reporting requirements, and for other purposes.

S. 1141

At the request of Mr. KENNEDY, the name of the Senator from California [Mr. SEYMOUR] was added as a cosponsor of S. 1141, a bill to help the Nation achieve the National Education Goals by supporting the creation of a new generation of American schools in communities across the country; rewarding schools that demonstrate outstanding gains in student performance and other progress toward the National Education Goals; creating academies to improve leadership and core-course teaching in schools nationwide; supporting State and local efforts to attract qualified individuals to teaching and educational administration; providing States and localities with statutory and regulatory flexibility in exchange for greater accountability for student learning; encouraging, testing, and evaluating educational choice programs; increasing the potential usefulness of the National Assessment of Educational Progress to State and local decisionmakers; expanding Federal support for literacy improvements; and for other purposes.

S. 1261

At the request of Mr. DOLE, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1261, a bill to amend the Internal Revenue Code of 1986 to repeal the luxury excise tax.

S. 1327

At the request of Mr. BINGAMAN, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 1327, a bill to provide for a coordinated Federal program that will enhance the national security and economic competitiveness of the United States by ensuring continued United States technological leadership in the development and application of national critical technologies, and for other purposes.

S. 1328

At the request of Mr. BINGAMAN, the names of the Senator from Massachusetts [Mr. KERRY], and the Senator from Pennsylvania [Mr. WOFFORD] were added as cosponsors of S. 1328, a bill to enhance the national security and economic competitiveness of the United States by providing for increased Federal Government support for the development and deployment of advanced manufacturing technology and the training of manufacturing managers and engineers, and for other purposes.

S. 1329

At the request of Mr. HOLLINGS, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 1329, a bill to strengthen Federal strategy for the development and deployment of critical advanced technologies, and for other purposes.

S. 1330

At the request of Mr. HOLLINGS, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 1330, a bill to enhance the productivity, quality, and competitiveness of United States industry through the accelerated development and deployment of advanced manufacturing technologies, and for other purposes.

S. 1332

At the request of Mr. BAUCUS, the names of the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 1332, a bill to amend title XVIII of the Social Security Act to provide relief to physicians with respect to excessive regulations under the medicare program.

S. 1358

At the request of Mr. GRAHAM, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from Ohio [Mr. GLENN], the Senator from Massachusetts [Mr. KERRY], and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 1358, a bill to amend chapter 17 of title 38, United States Code, to require the Secretary of Veterans Affairs to conduct a hospice care pilot program and to provide certain hospice care services to terminally ill veterans.

S. 1372

At the request of Mr. GORE, the names of the Senator from Louisiana [Mr. BREAUX], the Senator from Montana [Mr. BURNS], the Senator from North Dakota [Mr. CONRAD], the Senator from Arizona [Mr. DECONCINI], the Senator from New Mexico [Mr. DOMENICI], and the Senator from Illinois [Mr. SIMON] were added as cosponsors 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. 1424

At the request of Mr. CONRAD, the names of the Senator from Alabama [Mr. HEFLIN], and the Senator from North Carolina [Mr. SANFORD] were added as cosponsors of S. 1424, a bill to amend chapter 17 of title 38, United States Code, to require the Secretary of Veterans Affairs to conduct a mobile health care clinic program for furnishing health care to veterans located in rural areas of the United States.

S. 1426

At the request of Mr. BUMPERS, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Hawaii [Mr. AKAKA], and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of S. 1426, a bill to authorize the Small Business Administration to conduct a demonstration program to enhance the economic opportunities of startup, newly established, and growing small business concerns by providing loans and technical assistance through intermediaries.

S. 1451

At the request of Mr. BIDEN, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 1451, a bill to provide for the minting of coins in commemoration of Benjamin Franklin and to enact a fire service bill of rights.

S. 1462

At the request of Mr. HOLLINGS, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1462, a bill to amend the Communications Act of 1934 to prohibit certain practices involving the use of telephone equipment for advertising and solicitation purposes.

S. 1522

At the request of Mr. BOREN, the name of the Senator from Nebraska [Mr. KERREY] was added as a cosponsor of S. 1522, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment by cooperatives of gains or losses from sale of certain assets.

At the request of Mr. BOREN, the name of the Senator from Massachusetts [Mr. KERRY] was withdrawn as a cosponsor of S. 1522, supra.

S. 1537

At the request of Mr. BROWN, the names of the Senator from Washington [Mr. ADAMS], the Senator from Indiana [Mr. LUGAR], the Senator from Utah [Mr. GARN], and the Senator from Nevada [Mr. REID] were added as cosponsors of 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.

S. 1563

At the request of Mr. KERRY, the names of the Senator from Georgia [Mr. FOWLER], and the Senator from Maine [Mr. COHEN] were added as cosponsors of S. 1563, a bill to authorize appropriations to carry out the National Sea Grant College Program Act, and for other purposes.

S. 1604

At the request of Mr. HATCH, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of S. 1604, a bill to amend the Internal Revenue Code of 1986 to allow a charitable deduction for certain contributions of depreciable business property.

S. 1610

At the request of Mr. BAUCUS, the name of the Senator from Wisconsin [Mr. KASTEN] was added as a cosponsor of S. 1610, a bill to amend the Internal Revenue Code of 1986 to simplify the application of the provisions relating to deposit requirements for employment taxes.

S. 1648

At the request of Mr. MCCAIN, the name of the Senator from Ohio [Mr. GLENN] was added as a cosponsor of S. 1648, a bill to amend title VII of the Public Health Service Act to reauthorize and expand provisions relating to area health education centers, in order to establish a Federal-State partnership, and for other purposes.

S. 1673

At the request of Mr. HEFLIN, the names of the Senator from South Carolina [Mr. HOLLINGS], and the Senator from Hawaii [Mr. AKAKA] were added as cosponsors of S. 1673, a bill to improve the Federal justices and judges survivors' annuities program, and for other purposes.

SENATE JOINT RESOLUTION 8

At the request of Mr. BURDICK, the names of the Senator from Missouri [Mr. DANFORTH], and the Senator from Nebraska [Mr. EXON] were added as cosponsors 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 131

At the request of Mr. LUGAR, the names of the Senator from Louisiana [Mr. BREAUX], the Senator from Nevada [Mr. BRYAN], the Senator from West Virginia [Mr. BYRD], the Senator from Mississippi [Mr. COCHRAN], the Senator from Utah [Mr. GARN], and the Senator

from Louisiana [Mr. JOHNSTON] were added as cosponsors of Senate Joint Resolution 131, a joint resolution designating October 1991 as "National Down Syndrome Awareness Month".

SENATE JOINT RESOLUTION 136

At the request of Mr. LAUTENBERG, his name was added as a cosponsor of Senate Joint Resolution 136, a joint resolution to authorize the display of the POW-MIA flag on flagstaffs at the national cemeteries of the United States, and for other purposes.

SENATE JOINT RESOLUTION 140

At the request of Mr. WARNER, the names of the Senator from Alabama [Mr. HEFLIN], and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors 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 Maryland [Mr. SARBANES], the Senator from Illinois [Mr. SIMON], the Senator from South Dakota [Mr. DASCHLE], and the Senator from South Carolina [Mr. HOLLINGS] 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 164

At the request of Mr. GORE, the names of the Senator from New Jersey [Mr. LAUTENBERG], and the Senator from Kansas [Mrs. KASSEBAUM] 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 New Jersey [Mr. LAUTENBERG], the Senator from Georgia [Mr. NUNN], the Senator from Texas [Mr. BENTSEN], the Senator from Michigan [Mr. LEVIN], and the Senator from California [Mr. SEYMOUR] 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 175

At the request of Mr. SPECTER, the name of the Senator from Maine [Mr. COHEN] was added as a cosponsor of Senate Joint Resolution 175, a joint resolution disapproving the recommendations of the Defense Base Closure and Realignment Commission.

SENATE JOINT RESOLUTION 176

At the request of Mr. DIXON, the names of the Senator from Illinois [Mr. SIMON], the Senator from Wyoming [Mr. WALLOP], the Senator from Colorado [Mr. BROWN], the Senator from Hawaii [Mr. AKAKA], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of Senate Joint Resolution 176, a joint resolution to designate March 19, 1992, as "National Women in Agriculture Day".

SENATE JOINT RESOLUTION 183

At the request of Mr. BIDEN, the name of the Senator from Arkansas [Mr. BUMPERS] was added as a cosponsor of Senate Joint Resolution 183, a joint resolution to designate the week beginning September 1, 1991, as "National Campus Crime and Security Awareness Week".

SENATE JOINT RESOLUTION 188

At the request of Mr. LAUTENBERG, the name of the Senator from Tennessee [Mr. GORE] was added as a cosponsor of Senate Joint Resolution 188, a joint resolution designating November 1991, as "National Red Ribbon Month".

SENATE JOINT RESOLUTION 189

At the request of Mr. GORE, the names of the Senator from Montana [Mr. BAUCUS], the Senator from Kansas [Mr. DOLE], the Senator from Ohio [Mr. GLENN], the Senator from Georgia [Mr. NUNN], the Senator from Arkansas [Mr. PRYOR], the Senator from Idaho [Mr. SYMMS], the Senator from South Carolina [Mr. THURMOND], the Senator from Iowa [Mr. GRASSLEY], the Senator from Alaska [Mr. STEVENS], the Senator from Alabama [Mr. SHELBY], the Senator from New Mexico [Mr. DOMENICI], the Senator from Mississippi [Mr. COCHRAN], the Senator from Georgia [Mr. FOWLER], the Senator from Hawaii [Mr. AKAKA], the Senator from Alabama [Mr. HEFLIN], the Senator from Texas [Mr. BENTSEN], the Senator from Ohio [Mr. METZENBAUM], the Senator from Arkansas [Mr. BUMPERS], the Senator from Maine [Mr. COHEN], and the Senator from Washington [Mr. ADAMS] were added as cosponsors of Senate Joint Resolution 189, a joint resolution to establish the month of October, 1991, as "Country Music Month".

SENATE RESOLUTION 82

At the request of Mr. SMITH, the name of the Senator from Delaware [Mr. BIDEN] was added as a cosponsor of Senate Resolution 82, a resolution to establish a Select Committee on POW/MIA Affairs.

SENATE RESOLUTION 174—MAKING AN APPOINTMENT TO THE SELECT COMMITTEE ON ETHICS

Mr. HARKIN (for Mr. MITCHELL) submitted the following resolution; which was considered and agreed to:

S. RES. 174

Resolved, That, in accordance with the provisions of Senate Resolution 169, of the 102d Congress, the Senator from Arkansas (Mr. Pryor) be a member of the Senate Select Committee on Ethics for the purpose of matters relating to the preliminary inquiries into the conduct of Senators Cranston, DeConcini, Glenn, McCain, and Riegle, including the investigation into the conduct of Senator Cranston.

SENATE RESOLUTION 175—SUPPORTING THE PEACE CORPS ACTIVITIES IN ESTONIA, LATVIA, AND LITHUANIA

Mr. PRESSLER submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 175

Whereas on September 2, 1991, President Bush granted full diplomatic recognition to the governments of Estonia, Latvia, and Lithuania;

Whereas over 50 years of Soviet occupation has devastated the economies, environment, agriculture, and the educational systems of Estonia, Latvia, and Lithuania;

Whereas the Peace Corps was founded in 1961 to utilize America's entrepreneurial and volunteer spirit in areas of the world in need of technical and educational assistance;

Whereas the Peace Corps has met the challenge of assisting previously Soviet-controlled states, such as Poland, Hungary, Czechoslovakia, Bulgaria, and Romania;

Whereas the Peace Corps has added greatly to its programs by employing senior volunteers with experience in agriculture, health care, business, education, and other areas;

Whereas the people of Estonia, Latvia, and Lithuania are anxious to use their creativity and skills to improve their own standard of living and would welcome the activities of the Peace Corps to facilitate this objective;

SECTION 1. FINDINGS.

Congress finds that:

(a.) Peace Corps activities to promote entrepreneurial training, environmental cleanup and improved agricultural technology directly and immediately would enhance the efforts of Estonia, Latvia, and Lithuania to establish viable, free market economic systems;

(b.) U.S. Peace Corps volunteers would represent tangible United States support for the efforts of Estonia, Latvia, and Lithuania to establish democratic institutions.

SECTION 2. POLICY.

(a.) The U.S. Peace Corps is well equipped to provide low-cost and effective technical assistance programs to the peoples of Estonia, Latvia, and Lithuania;

(b.) The President should take immediate steps to encourage and support United States Peace Corps activities in Estonia, Latvia, and Lithuania.

Mr. PRESSLER. Mr. President, today I am submitting a resolution calling on the President to send U.S. Peace Corps volunteers to the new Baltic States. The recognition of the governments of Estonia, Latvia, and Lithuania is the true success story of the Communist hardliners' coup attempt in Moscow last month. Today, Estonia, Latvia, and Lithuania have achieved a well-deserved political independence. Yet their struggle to rebuild an economy devastated by over 50 years of communism has just began. Communism has created the largest man-made disaster every experienced.

After visiting Estonia, Latvia, and Lithuania recently, I am convinced that the people of these countries are eager to meet the challenges facing them. Their hard work would be greatly complemented by activities of the U.S. Peace Corps. The U.S. Peace Corps

is a low-cost vehicle to provide technical and educational assistance.

I brought up the idea of sending the Peace Corps with the Prime Minister of Latvia, the President of Lithuania, and other officials. They had a very favorable impression of the Peace Corps and are very anxious to have Peace Corps activities in their countries.

The Peace Corps would provide opportunities for service, as well, to the people of our own Nation who want to see Estonia, Latvia, and Lithuania succeed. It can bring United States values and expertise to these nations, as well as provide volunteers greater knowledge of the peoples of Estonia, Latvia, and Lithuania and the satisfaction of helping them attain a better life.

Most importantly, sending the Peace Corps to these nations will not require massive U.S. Government expenditures. At a time of record deficits and many problems here at home, the United States just cannot afford a Marshall plan for Estonia, Latvia, and Lithuania. Yet we can include them in some of the programs we currently offer to Poland and Hungary.

Mr. President, long-term prosperity for the peoples of Estonia, Latvia, and Lithuania depands on private investment and free trade. The aspiring businessmen and farmers in these states need the skills the Peace Corps can provide. They also need English language training. They need books on marketing, trade and business management.

During my visit, I toured several farms in Estonia and Lithuania. During the 1920s and 1930s, these nations exported high-quality agricultural goods to Europe. Today, they remain agriculturally self-sufficient, yet are hampered by old equipment and other remnants of collectivized farming.

The Peace Corps has a proven track record in the agricultural development area. The skills of Peace Corps volunteers would be welcome in these nations.

Mr. President, I am especially proud of the Peace Corps' efforts to hire retired U.S. citizens who have experience that cannot be matched. The well-educated people of Estonia, Latvia, and Lithuania will be a challenge for the Peace Corps. Retired Peace Corps volunteers have years of experience that will make them the most valued volunteers in those countries.

In addition to the Peace Corps, I challenge United States private foundations to bring technical assistance to Estonia, Latvia, and Lithuania. I also challenge U.S. businesses—especially small businesses—to invest in these nations. Although the challenges are great, the opportunities in Estonia, Latvia, and Lithuania are even greater.

Mr. President, I urge my colleagues to cosponsor my resolution calling for United States Peace Corps participation in the new Baltic States.

AMENDMENTS SUBMITTED

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

HARKIN (AND OTHERS) AMENDMENT NO. 1083

Mr. HARKIN (for himself, Mr. BRADLEY, Mr. ADAMS, Mr. WELLSTONE, Mr. PELL, Mr. SIMON, Mr. BURDICK, Mr. CRANSTON, Mr. KERRY, and Mr. METZENBAUM) proposed an amendment to a reported amendment to the bill (H.R. 2702) making appropriations for the Departments of Labor, the fiscal year ending September 30, 1992, and for other purposes, as follows:

Beginning on page 4, line 2, strike all after the word "for" and insert the following: "the program year July 1, 1991, through June 30, 1992; for additional amounts as follows:

(a) In addition to amounts appropriated in this Act, there are appropriated to the Centers for Disease Control for "Disease control, research, and training", $150,000,000.

(b) In addition to amounts appropriated in this Act, there are appropriated to the National Institutes of Health for "National Cancer Institute", $400,000,000, and "National Institute on Aging", $170,000,000.

(c) In addition to amounts appropriated in this Act, there are appropriated to the Alcohol, Drug Abuse, and Mental Health Administration for "Alcohol, drug abuse, and mental health", $100,000,000.

(d) In addition to amounts appropriated in this Act, there are appropriated to the Administration for Children and Families for "Low Income Home Energy Assistance", $400,000,000, and "Human Development Services", $900,000,000, for carrying out the Head Start Act: *Provided*, That of the amounts available under this Act for carrying out the Head Start Act, $900,000,000 shall not be subject to sections 640(a)(2)(C), 637(5)(B) and 640(a)(3)(A) of that Act.

(e) Section 204(a)(1) of the Immigration Reform and Control Act of 1986 is amended to read as it did prior to its amendment by the Department of Health and Human Services Appropriations Act, 1992, and is further amended by adding at the end thereof the following new subparagraphs:

"(D) Funds appropriated for fiscal year 1992 under this section are reduced by any amount in excess of $400,000,000. Of the amount remaining, $6,000,000 shall be available, through fiscal year 1994, for Federal administrative costs.

"(E) For fiscal year 1993, there are appropriated to carry out this section for costs incurred on or after October 1, 1989 (including Federal, State, and local administrative costs) out of any money in the Treasury not otherwise appropriated, $2,000,000,000 (less the amount described in paragraph (2) for each of fiscal years 1990 and 1991) less the amount made available for allotments to states under subsection (b) for fiscal years 1990, 1991, and 1992."

(f) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Compensatory Education for the Disadvantaged", $258,000,000, which shall be available for basic grants under section 1005 of chapter 1 of title I of the Elementary and Secondary Education Act of 1965, as amended, and which shall remain available through September 30, 1993.

(g) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Student Financial Assistance", $270,000,000, which shall remain available through September 30, 1993: *Provided*, That, notwithstanding any other provision of this Act, during the 1992-1993 program year, $2,500 shall be the maximum Pell grant that a student may receive.

(h) In addition to amounts appropriated in this Act, there are appropriated to the Health Resources and Services Administration for "Health resources and services", $100,000,000.

(i) Of the funds appropriated or otherwise made available to the Department of Defense in any appropriations Act making funds available to the Department of Defense in fiscal years before fiscal year 1992 and which would remain available until expended, $7,616,281,000 of the remaining balances are rescinded: *Provided*, That no funds appropriated or otherwise made available for military family housing, National Guard and reserve equipment, military construction for any National Guard or Reserve unit, in any appropriations Act shall be rescinded.

(j) Notwithstanding section 601(a)(2) of the Congressional Budget Act of 1974 as amended, the fiscal year 1992 discretionary spending limit for the domestic category, as adjusted under section 251 of said Act, is increased by $3,148,000,000 in budget authority and $1,632,000,000 in outlays; the fiscal 1993 discretionary spending limit for the domestic category, as adjusted under section 251 of said Act, is increased by $1,516,000,000 in outlays; and the defense spending limits, as adjusted under section 251 of said Act, are decreased by budget authority and outlay reductions resulting from paragraph (i)."

HARKIN (AND OTHERS) AMENDMENT NO. 1084

Mr. HARKIN (for himself, Mr. WIRTH, Mr. RUDMAN, Mr. KERRY, Mr. BINGAMAN, Mr. WOFFORD, Mr. FOWLER, Mr. PELL, Mr. COHEN, Mr. BOREN, and Mr. ADAMS) proposed an amendment to a committee to the bill H.R. 2707, supra, as follows:

Beginning on page 4, line 2, strike all after the word "for" and insert the following: "the program year July 1, 1991, through June 30, 1992: for additional amounts as follows:

(a) In addition to amounts appropriated in this Act, there are appropriated to the Centers for Disease Control for "Disease control, research, and training", $10,000,000, which shall not become available for obligation until September 30, 1992.

(b) In addition to amounts appropriated in this Act, there are appropriated to the Administration for Children and Families for "Low Income Home Energy Assistance", $200,000,000: Provided That, notwithstanding any other provision of this Act, $405,607,000 shall become available for making payments on September 30, 1992.

(c) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Compensatory Education for the Disadvantaged", $152,000,000, which shall become available on September 30, 1992, and shall remain available through September 30, 1993, of which $138,000,000 shall be available for basic grants under section 1005 and $14,000,000 shall be

available for concentration grants under section 1006 of chapter 1 of the Elementary and Secondary Education Act of 1965, as amended.

(d) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Impact Aid", for construction and renovation of school facilities under section 10 of Public Law 81-815, $2,000,000, to remain available until expended, which shall become available for obligation on September 30, 1992.

(e) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Vocational and Adult Education", $60,000,000, which shall become available on September 30, 1992 and shall remain available through September 30, 1993.

(f) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Student Financial Assistance", $62,000,000, which shall be available for Supplemental Educational Opportunity Grants, and which shall be available on September 30, 1992 and shall remain available through September 30, 1993.

(g) In addition to amounts appropriated in this Act, there are appropriated to the Department of Education for "Higher Education", $24,000,000, which shall become available on September 30, 1992 and shall remain available through September 30, 1993, of which $3,000,000 shall be available for carrying out section 602(a) of the Higher Education Act of 1965 and $1,000,000 shall be available for carrying out section 604 of the Act, and $20,000,000 shall be available for carrying out title IV, part A, subpart 4 of the Act: *Provided*, That, notwithstanding any other provision of this Act, of the amounts made available in title II for the Health Resources and Services Administration, "Health Resources and Services", $86,000,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for Centers for Disease Control, "Disease Control, Research, and Training", $94,000,000 shall not become available for obligation until September 30, 1992 but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Cancer Institute", an additional $63,446,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Heart, Lung and Blood Institute", $54,555,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Dental Research", $7,903,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Diabetes and Digestive and Kidney Diseases", $28,457,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Neurological Disorders and Stroke", $27,357,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Allergy and Infectious Diseases", $45,627,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of General Medical Sciences" $48,104,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Child Health and Human Development", $27,368,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institute of Health, "National Eye Institute", $12,504,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Environmental Health Sciences", $8,846,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute on Aging", $16,308,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute of Arthritis and Musculoskeletal and Skin Diseases", $7,593,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Institute on Deafness and Other Communication Disorders", $7,486,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Center for Research Resources", $15,000,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Center for Nursing Research", $2,646,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Center for Human Genome Research", $10,000,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "John E. Fogarty International Center", $800,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "National Library of Medicine", $3,500,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992: *Provided further*, That of the amounts made available in title II for the National Institutes of Health, "Office of the Director", $12,500,000 shall not become available for obligation until September 30, 1992, but shall remain available until October 30, 1992.

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS. Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing on problems facing small business petroleum marketers. The hearing will be chaired by Senator ALAN DIXON and will take place on Wednesday, September 11, 1991, at 9:30 a.m., in room 428A of the Russell Senate Office Building. For further information, please call Chuck Pizer or Marty Durbin at 224-2854.

Mr. President, I would like to announce that the Small Business Committee will hold a full committee hearing to examine the issue of pension expansion and simplification. The hearing will take place on Thursday, September 12, 1991, at 10:30 a.m., in room 428A of the Russell Senate Office Building. For further information, please call Nancy Kelley or John Carson at 224-5175.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, September 10, at 10 a.m. to hold a hearing on the nomination of Judge Clarence Thomas.

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

SUBCOMMITTEE ON TAXATION

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittee on Taxation of the Committee on Finance be authorized to meet during the session of the Senate on September 10, 1991, at 2 p.m. to hold a hearing on tax simplification proposals, including S. 1394, H.R. 2777, and S. 1364.

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

ADDITIONAL STATEMENTS

MESSAGE FROM HUNGARY

• Mr. LIEBERMAN. Mr. President, I would like to call to the Senate's attention an eloquent article about Central Europe. It is written by Eniko Bollobas, the Chargé d'Affaires of the Embassy of Hungary. Ms. Bollobas, one of the most effective diplomats in Washington, describes the comfort and

hope that America provided Hungary in their hour of Communist domination. She also points out that the recently liberated governments of Central Europe—Hungary, Poland, and Czechoslovakia, in particular—are slowly coming of age. They have gone beyond the heady days of revolutionary victory and are anxious to become "normal" European nations. That is to say, countries that have their day-to-day problems, but no crisis.

I have recently returned from Hungary and I can attest to the desire of all Hungarians to rejoin Europe. The West, and particularly Europe, can help Hungary to do so by opening up Western markets. In this regard, I was disappointed by the recent French decision to bloc a major agreement that would have given Central Europe greater access to West European markets. I hope that the Economic Community will reconsider this issue. In order to become a "normal" country, as Ms. Bollobas and all Hungarians wish, we must create the conditions for economic prosperity.

The article follows:

WHEN DREAMS OF DEMOCRACY COME TRUE

(By Eniko Bollobas)

Those of us who grew up in Hungary in the '50s and '60s on the margins of communist society and—following our fathers' footsteps—dissented in the '70s and '80s all knew that the ultimate human dream was democracy. Not surprisingly for a captive—and therefore in many ways childlike, "minor"—nation, we also were convinced that there were powers in this world that would honor our endeavors, even though at that time our fathers were still in prison and we ourselves soon fell under long-term police surveillance.

We lived—because we had to, in order to have the strength to go on—with a critical conviction: Moral virtues grow out of opposition to totalitarianism and will be necessarily rewarded in some afterlife—the dream of an afterlife that will come only after communism ceased to exist.

This expectation, and the neurosis that follows our disappointment that our expectation did not come true, is not at all uncommon. Tzvetan Todorov, the Bulgarian structuralist, diagnosed it as "post-totalitarian depression," a disease related to what he calls "post-Holocaust depression." Todorov suggested that Holocaust survivors experienced a feeling of letdown after the camps were liberated. They went home seeking some kind of a compensation: the love, understanding, and compassion of a better world. Instead, they found that people turned away from them, not really wanting to be in the company of "these somber witnesses to human dishonor."

Throughout our revolutions, Western democracies were with us and gave full support. We made more American friends within months than our fathers and grandfathers taken together. Did their encouragement make us expect something else? And what is it that we were expecting? Compensation, reward? And why? Has anyone actually made these promises? Is it anyone's fault that the promises we only thought had been made are not being fulfilled?

At Budapest University, Mark Twain's "The Mysterious Stranger" was part of our curriculum. One of the most puzzling writings of Twain, it takes place in medieval Austria. It is about a "graceful young man," Philip Traum, making friends with three boys by amusing them in the most enchanting ways. He hears what other people only think and makes it come true. He brings clay animals and human figures into life, and he changes the course of events.

His powers seem unlimited, yet he does not want to do good. He gives and takes away life easily. He simply crushes the human figures or allows the boys' friends to die. He says he cannot do wrong because he is not subject to human conditions. "I can measure and understand your human weaknesses, for I have studied them; but I have none of them," he says. "Harmlessly indifferent," he can only love his own kind, his equals—but, alas, there are none of those.

During the year Philip Traum stays with his three adolescent friends, he seems to teach them everything about this world and the world to come. But when the time comes for him to depart, the boys are convinced their goodbye is only temporary, because they are bound to meet in that other world they learned so much about from Philip Traum himself.

Laughing at their credulousness about that other world, he says, "There is no other." Life itself in only a vision, a dream." "Nothing exists." The boys are shaken. They feel promises were broken.

In applying this allegory to Eastern Europe, did Western democracies ever promise to "reward" freedom-fighters, dissidents and democracy-builders? Should they have done so in ways other than ways they actually did—by being there, encouraging and later participating in the rebuilding of our societies? I am not so sure. Only as long as they are adolescent do nations need to live with the conviction of a future improved by the rewarding benefactor—the promise of promises.

Straight talk, confrontation with reality and participation have greater rewards. They help adolescents grow up. When one of the boys in Twain's story realized that all Philip Traum said was true, "a gust of thankfulness" rose in this breast. But indeed, it is not easy to understand "thankfulness" as the state of mind appropriate after having learned that "nothing exists save empty space—and you."

In many ways, perhaps it is nightmare that befits this state of mind, one similar to the nightmare that has been haunting Eastern and Central European countries—those countries that have begun, with immense difficulties, to democratize their societies. For many, it is the nightmare of abandonment, the ultimate existential situation that as an individuals we all went through when leaving adolescence, but only few of us knew collectively.

As East European nations grow up now, they are leaving all the spectacular paraphernalia of adolescence behind: anti-totalitarian demonstrations, East German refugees quaffing champaign by bales of rolled barbed wire, torn down walls, street riots, coups, scrap heaps of Lenin statues and tanks festooned with flowers. But where else did we ever see any Soviet leader protected and shielded by not only bullet-proof vests but also hundreds of thousands of awakened citizens? Who but an adolescent nation would dare to weave human cordons against tanks? Only the adolescent is that irresponsibly daring—Budapest in 1956, Prague in 1968, Moscow in 1991.

But this time, everything was different. CNN seems to have achieved what the U.N. had failed to do in 1956 and 1968. Events punctured the graceful surface and the power game. True, the region is characterized by greater complexity than ever before, and that complexity is perplexing. It is comparable to what Emperor Joseph II in Milos Forman's film "Amadeus" sees in Mozart's music: "too many notes."

But there *are* too many notes, and these days the world is learning the many notes. As Soviet leaders are running after the *faits accomplis* created by the republics, major powers of the world are trying to keep pace with those smaller countries that have proved ready to live up to their political and ethical ideals. Oddly enough, it was Denmark, Hungary, Norway and Finland that took the first steps toward recognizing Baltic independence.

Hungary, this linguistically insular country, has distant relatives in Estonia, but that was not what motivated the democratic Hungarian leadership. It was not the distinct relatives, but the "kindred spirits." It was the recognition that the world can no longer try to walk the fine line between keeping stability by conserving the status quo of communism and the commitment to democratic idealism. The alternative to the status quo is there: democratic formations without the communist strain (in the Hungarian government, for example, you will not find one single former Communist or reform Communist.)

Last week the democratic governments of Warsaw, Prague and Budapest were concerned about the signals a victorious coup might send to those states, republics and regions of Eastern Europe that have not yet completed their democratic developments. This week we want those regions to clearly decode the signals of the failed coup.

Surely the Western World understands these signals too: The adolescents are growing up. What they need is the knowledge that, though poor and shabby, they are accepted as members of the family of democratic nations. And they need the trust that Todorov's post-totalitarian depression and Philip Traum's hurtful, "incredible words" are parts of our growing pains. These impulses are responsible for the vibrant atmosphere of the ancient cities of Prague, Kiev, Warsaw, Riga, Vilnius, Moscow, St. Petersburg and Budapest, where the inhabitants—for the first time in their lives—are experiencing the wonders of adulthood, the joys of being responsible humans, of being able to act alone, without the help of big brothers. We are eager to act, and we can still do things that can surprise the world—and ourselves.●

SULLIVAN COUNTY 175TH ANNIVERSARY

● Mr. LUGAR. Mr. President, I am pleased to announce that Sullivan County, IN, will celebrate its 175th anniversary September 14 and 15, 1991. An anniversary celebration is planned, including the Sullivan County Corn Festival and parade, and a special salute to Sullivan County's two favorite sons, Will Hays, Jr. and Ray Russell. Hays and Russell will be honored as co-grand marshals of the parade.

Will Hays, Jr. was the first full-time mayor of Crawfordsville, serving two terms from 1964 to 1974. Hays earned degrees from Wabash College in Crawfordsville and Yale University

Law School. In addition to his accomplishments as mayor, Hays has been a best-selling author, screenwriter, professor, and practicing attorney. He is the son of Will Hays, Sr., who served as the Postmaster General during President Harding's administration and later served as the president of the Motion Picture Association of America.

Ray Russell played an instrumental role as teacher, companion, and father figure to Hays from an early age. The strength and duration of their relationship is illustrative of the ideals common to the residents of Sullivan County. It is this Hoosier commitment to friends and family that has brought them to the celebration of their 175th anniversary.

I ask my colleagues to join me in saluting Sullivan County and its citizenry on this happy occasion.●

START IS NO PLACE TO STOP

● Mr. SIMON. Mr. President, recently, Mr. Paul H. Nitze, who has been such a pioneer in the whole field of arms control negotiations and whose most recent experience was as a leader in this field for the Reagan administration, had an article on the editorial page of the Washington Post titled, "START Is No Place to Stop."

His comments are absolutely on target.

What is disconcerting to me, that is not mentioned in the article, is that we have not called for the destruction of the weapons that we have dismantled. That was reluctantly agreed to by the Soviet Union at the insistence of the United States.

And that was because we continue to pursue this star wars fantasy.

I urge my colleagues, who did not see the Paul Nitze item during the August recess, to read it. Also, I urge their staffs to do the same.

I ask to insert his article into the RECORD at this point.

The article follows:

[From the Washington Post, Aug. 14, 1991]

START IS NO PLACE TO STOP

(By Paul H. Nitze)

The recently signed Strategic Arms Reductions Treaty is disappointing; much more could have been accomplished to create a U.S.-Soviet strategic balance that minimizes the risk of nuclear war. The important task now is to secure those improvements as soon as possible in follow-on, START II talks. To this end the Senate should, in ratifying the START treaty, mandate immediate initiation of START II negotiations with several specific objectives.

Arms control may seem like an anachronism in a world where U.S.-Soviet confrontation has been increasingly replaced by cooperation. But we must not forget that the Soviet Union, even after the reductions mandated by START, will retain a nuclear arsenal capable of devastating our homeland. As long as this is so, and because there is always the chance that U.S.-Soviet relations could take a turn for the worse, we must do everything we can to minimize the risk that nuclear weapons will be used.

Strategic arms control has sought to minimize the nuclear risk by limiting the threat to U.S. and Soviet forces in a way that would enhance their ability to survive an attack and retaliate. This ability is the basis for deterrence. Taken as a whole, U.S. strategic forces are sufficiently survivable to give us a strong deterrent, but START could have done much more to strengthen it further.

For example, our land-based intercontinental ballistic missiles will remain highly vulnerable and inviting targets in their silos, even after START. A START II treaty could do something about that by banning ICBMs with multiple warheads, particularly Soviet heavy ICBMs.

As long as the Soviet heavies exist, their great destructive capability will hamper efforts to improve U.S.-Soviet relations and force us to take costly and undesirable countermeasures to ensure that the Soviet Union cannot exploit its advantage. Banning all multiple-warhead ICBMs would force the sides to rely on single-warhead missiles that are unattractive targets because the attacker would have to expend at least two warheads to destroy each missile with its lone warhead. In a world of tightly constrained warheads, the Soviets are unlikely to be able to afford the luxury.

Our heavy bombers are more survivable than our ICBMs, because many of them should be able to take off from their bases quickly enough upon receiving warning of a Soviet attack. Even after START, however, the potential remains for the Soviets to change this situation by posing the threat of an attack with very little warning against our bomber bases, using submarine-launched missiles specially altered to shorten their flight times. START II could preclude that by banning the testing of these short-time-of-flight missiles.

Other desirable improvements include: further throw-weight reductions to reduce the ability of the Soviets to add large numbers of warheads to their missiles in a breakout from treaty limits; provisions to force the sides to destroy all reduced missiles rather than placing some in storage; and bans on new technologies such as large, special-function nuclear warheads, maneuvering reentry vehicles and earth-penetrating warheads, which would pose new threats to survivability.

In addition, there is much we will learn from implementing the START treaty, just as we have gained new insights from implementing the INF treaty. We could apply that learning in START II, especially in the area of verification, to create a more effective treaty regime.

Finally, of course, there is the possibility of further reductions. The 7,000–9,000 strategic warheads each side will retain after START far exceed the requirements of deterrence, START II could continue the process of reducing to a safer level.

In seeking all these improvements, we need not start from scratch in negotiating a new treaty. Instead, we can build on the START baseline. A START II treaty could be a relatively short document that merely amended START I by tightening, altering or supplementing certain limits and by refining verification and other procedures. Negotiation of such a treaty would likely remain complex and time-consuming, but nothing like the 700 pages and nine years of its predecessor.

Despite the potential for further reducing the risk of nuclear war and the opportunity presented by current conditions for realizing this potential relatively quickly, the Bush administration is showing little interest in START II. We hear talk of negotiating exhaustion and the need for a pause. This is simply unacceptable, and the Senate should not allow it.

I believe, therefore, that the upcoming ratification hearings should focus as much on what can yet be accomplished as on what has been done in the START treaty. To ensure that the remaining opportunity is not squandered, the resolution of ratification should instruct the administration to seek immediate negotiations on a START II Treaty that will incorporate:

a ban on multiple-warhead ICBMs, particularly heavy ICBMs;

a ban on testing of short-time-of-flight SLBMs;

additional provisions to preclude new threats to force survivability; and

further deep cuts in the aggregate level of strategic warheads.

In sum, the strategic arms control agenda is far from exhausted. Now, when U.S.-Soviet relations are unprecedentedly cooperative, is the time to push forward aggressively in an effort to seek the many benefits remaining to be attained.●

AFTER THE COUP: DEFENSE SPENDING AND AID TO THE FORMER STATES OF THE U.S.S.R.

● Mr. MCCAIN. Mr. President, for the first time in nearly half a century, we are faced with the challenge of fundamentally reshaping our national security policies and military strategy. The Iron Curtain has shattered and the Berlin Wall has crumbled. The Soviet Union and the Warsaw Pact no longer exist, and the new regimes of Eastern Europe, and the former Soviet republics no longer pose an ideological or direct military threat to the United States.

During the next few years, we will almost certainly have to drastically change virtually every aspect of our military forces. Barring some almost incredible set of political reversals within Russia, we can look forward to an era of East-West cooperation, rather than conflict, and new national security challenges in the Far East and the developing world.

We must be careful, however, to make those changes at the right pace and on the basis of a clear understanding of what we are doing. We cannot ignore the needs of the emerging democratic regimes in Russia, the other former Soviet Republics, and Eastern Europe.

At the same time, we cannot ignore the fact that the future nature and leadership of the Soviet Union is still highly unpredictable, that the future of the Soviet Union's military forces remains uncertain, that we face major economic problems of our own. We cannot ignore the fact that we still need military forces to defend our interests and those of our allies in other parts of the world.

RUSHING TO PROVIDE THE WRONG FORM OF AID

While Congressman ASPIN, Congressman GEPHARDT, and other Members of

Congress are proposing that we rush to reprogram money from the defense budget to provide aid to the new Union of Sovereign States, the fact remains that such proposals are premature. Good intentions are not a substitute for good planning.

We need to clearly examine our broad domestic and strategic priorities. We need to know who will be in charge of what, how the aid will impact on broad reform plans, how the former elements of the U.S.S.R. will restructure their defense spending efforts to meet their domestic needs, and how we should allocate the priority for aid between Eastern European countries and the various republics that made up the U.S.S.R.

We cannot simply take money from the defense budget and throw it at random at the Soviet or Russian leader of the day—without any clear prospect that that leader will be in power, with a clear reform plan, and without any assurance that enough political stability will exist to allow that aid to be useful.

We cannot ignore the needs of our own people and assume that the United States should somehow be responsible for funding the economic reform of the former Soviet Republics. This Nation has many urgent needs of its own, and there are many other countries with urgent needs for aid.

We cannot ignore the fact that we are the Nation that will bear the primary responsibility for maintaining the power projection forces necessary to provide peace and stability throughout the world. We have already borne the primary responsibility and costs of checking Soviet and Warsaw Pact aggression.

In any case, the issue at hand is not one of providing a few billion dollars worth of token aid. It is a far broader set of issues: The issue of what level of commitment the industrialized democracies should make to provide humanitarian aid and aid for economic reform, the issue of who the aid should go to and under what conditions, the issue of who in the industrialized democracies should provide such aid, and the issue of what part of the U.S. budget any U.S. aid should come from.

Before we assume any new economic responsibilities, we must consider the future role that other nations in the West should play. If we are to bear the free world's military burdens, then other nations should bear most or all of the burden of Soviet economic reform. Nations like Japan, Germany, France, and the other industrialized democracies have spent less than half as much of their GNP on defense as we have. They are the nations that should be the primary contributors to any aid program once such a program becomes practical.

THE NEED FOR A STABLE LEADERSHIP

If we consider these issues in detail the most immediate issue is the need to tie any aid to the Union of Sovereign States to the emergence of a leadership that speaks for the Soviet people and offers a reasonable prospect of stability. Aid will be meaningless unless it goes to a leadership with the power, will, and staying power to enforce reform.

We must also be cautious. The failure of one coup does not mean other coups will not succeed in the future. Equally important, we can scarcely rush to help Russia at the expense of the other former Soviet Republics, or give aid to the Union of Sovereign States, before it is clear what new state or states will really emerge from the U.S.S.R. and before it is clear which—if any—of these states will develop a credible plan for economic reform.

UNDERSTANDING THE TRUE CHALLENGE OF AID TO THE U.S.S.R.

We also need to act with a firm understanding of the challenge that aid in reforming the economies of the former Soviet Republics will pose. Humanitarian aid is one thing, and economic aid is quite another.

No one can deny the need to provide humanitarian aid—the agricultural and medical supplies necessary to ensure the well-being of the Soviet people in a time of crisis and in a year where experts already estimate that the Soviet harvest will be 20 percent smaller than last year. President Bush has already indicated that the United States will provide such aid, and it is obvious that it will be essential to the development of democracy and political stability.

Even humanitarian aid, however, will involve a massive effort. We are talking about a population of 290 million, and helping to make up for the problems in an agricultural sector with a net value of some $520 billion, and massive problems in distributing the food that the former Soviet Republics do harvest. Further, conflicts between the republics may make this situation much worse.

When we talk about giving $1, $2, or $6 billion, without any clear plan based on clearly described needs, without distinguishing between cash and aid in kind, without regard for how the aid will be distributed, and without any agreements from our allies, we are talking about political gestures and tokenism, and not meeting the real needs of the Soviet people.

This is even more true when we talk about helping to reform the Soviet economy, we talk about a far more serious challenge. We are talking about an economy whose gross national product is worth $2.6 trillion, or roughly half the value of our own, and every aspect of this economy is in crisis.

In recent years, living standards have dropped by more than 20 percent, almost solely because of policy mistakes and mismanagement by the Soviet leadership. The overall output of the Soviet economy has already dropped by at least 11 percent in the last 12 months. The CIA estimated before the recent coup that the Soviet GNP would probably drop by 20 percent in 1991, and inflation could reach 100 percent.

Well before the coup attempt, the Soviet economy was being torn apart by unstable and sharply rising prices, the ruble's loss of value, the breakdown of trade between the elements of Soviet heavy industry, regional fragmentation, and the failure of the Soviet distribution system. The economies of the Armenian, Azerbaijani, and Lithuanian Republics were torn apart by internal violence or the struggle for independence and were in a worse crisis than the American economy during the Depression of the 1930's.

Soviet investment and the completion of new major projects may well have dropped by 50 percent since 1988. The transportation sector has suffered from so much underinvestment that it is on the edge of collapse. No real capital or lending institutions are emerging, and a trippling of the money supply in rubles has done nothing to spark economic growth.

While the leaders of the Soviet Union talked economic reform before the recent coup attempt, their proposals were at best half hearted, and even those few proposals which were enacted into law died in the hands of Soviet Union's permeating and deadly bureaucracy. The Soviet Government generated a massive budget deficit, and wasted virtually all of the billions of dollars worth of credits, loans, and credits it received from the West.

Although the U.S.S.R. arranged for some $14 billion in new loans and credits in the spring of 1991, virtually none of this was allocated to any of the market or structural reforms necessary to change the Soviet economy. The black market, not the state, has been the center of what reform has occurred.

This does not mean the situation is hopeless. There can be little doubt that the Soviet Republics will ultimately emerge with far stronger market economies than they ever possessed under communism. We cannot provide effective help to the Soviet people, however, unless we accept these economic realities.

We need to firmly recognize that providing billions of dollars in U.S. aid will be a meaningless exercise in symbolism, and one that may be wasted in a matter of weeks unless there is a clear reform plan that will actually be implemented. We also need to recognize that the Soviet plan will gain nothing if we provide such aid to the wrong leader and the wrong plan. Humanitarian aid is vital and necessary, aid for economic reform must be tied to the right leader and the right plan.

SOVIET MILITARY SPENDING AND MILITARY CONVERSION

We also must remember that we have still not seen any clear indication of what will happen to the vast resources that the Soviet Union spends on military forces and production. While experts debate how much the Soviet Union really spent on defense, and estimates range as widely as 14 to 26 percent of the Soviet GNP, there can be little doubt that the Soviet Union has consistently spent more than the equivalent of some $200 billion annually on military and internal security forces.

There is also no doubt that at the time the coup took place, the Soviet Union still aggressively pursued the modernization of its strategic nuclear forces at rates far greater than the United States. It continued to invest in major naval forces at a time when the United States was sharply cutting its own Navy.

The Union of Sovereign States and any other successors of the Soviet Union will still need substantial military forces. The end of the cold war, and the changes taking place in East-West relations, do not mean that the Soviet republics will not emerge as a great power and a critical actor in international affairs.

There is no question, however, that President Gorbachev failed to draw on a vast pool of surplus military expenditures whose justification vanished with the cause of world communism. There is also no question that the conversion of Soviet forces to a defensive posture has been faltering and involved many actions that raise continuing questions about Soviet intentions and the risk of a return to the cold war. Further, the Soviet Union resisted efforts to move ahead with arms control efforts that went beyond the existing START and CFE treaties and that would allow both East and West to cut their military forces.

We should not attempt to tie economic aid to efforts to disarm the Union of Sovereign States, or unfairly exploit the current political and economic turmoil. This would create a legacy of lasting resentment, and increase the risk of new coup attempts, when what we want is lasting friendship and partnership with the new democratic entities that will replace the U.S.S.R.

We do, however, have a right to demand that the heirs to Soviet power will couple any economic reform plan to a clear plan to reduce military expenditures to purely defensive levels, and that they seek to free further resources by joining with us to reduce those forces on both sides that are vestiges of the cold war. Before we act to aid the Union of Sovereign States we should insist that it help itself.

We should be particularly firm in this insistence because there are strong indications that the only reason the real value of the Soviet military budget has dropped in recent years is because of the loss of the buying value of the ruble and not because of deliberate Soviet policy decisions.

The CIA reports that the formal Soviet defense budget in 1991 will be 96.6 billion rubles versus 70.9 billion in 1990. While real procurement expenditures dropped by as much as 20 percent over the last 2 years—particularly in the production of tanks, artillery, and other armored vehicles, personnel and operating expenditures were planned to rise by 15 percent, and cuts in R&D activities were largely blocked by the Soviet military. Although Soviet planners talked 2 years ago of cutting military spending by 33 to 50 percent, DIA established before the coup that there were no indications that cuts of this magnitude were underway.

Deployment of the fifth and sixth modification of the SS-18 heavy ICBM continued, although such modifications have little value except in a first strike. Where we have virtually frozen ICBM modernization, and plan major force cuts, the U.S.S.R. has finished deployment of the rail-based SS-24, continues to deploy the road-based SS-25, and has at least two new ICBM's in development. It is restructuring its SSBN force, and has two new SLBM's in development.

Equally important, efforts at military conversion have so far been little more than a farce. Soviet military production has dominated the industrial sector of the economy, and this domination has been the chief factor behind the lack of housing and consumer goods in the Soviet Union. Every Soviet citizen has suffered because of the immense effort that has gone into such efforts—an effort that is at least 4 to 8 times larger in terms of the relative burden it has imposed on the Soviet economy as military production in the United States.

In spite of a great deal of rhetoric about military conversion, the Soviet Union has done very little since 1988. While thousands of plants are involved in military production, the U.S.S.R. only singled out 500 for any form of conversion. Most of these 400 military and 100 civil plants have so far only made token efforts to convert from military to civil production—if that. Further, only 6 military plants and 34 civilian plants, are planned to totally cease military production. This is a fraction of the cuts the United States has made in military production and conversion during the same period, and the CIA reports that the Soviets planned to spend only 9 billion rubles on this conversion before the recent coup attempt.

Let me repeat, we should not exploit this situation, and we should stand ready to join in major new arms reduction efforts when they do not affect the power projection forces we will need for the post-cold-war era. We should, however, insist that the Union of Sovereign States and any other heirs to the Soviet Union should present clear plans to shift military expenditures to the civil sector before they receive massive amounts of aid, and show that they are ready to join us in immediate new arms reduction efforts.

Such actions will benefit the peoples that made up the U.S.S.R. as well as world peace. They will insure that economic reform does not become a fraud, and that the recent round of promises to cut military forces will be a reality.

THE IMPACT OF AID ON THE U.S. DEFENSE BUDGET

These conditions for aid are equally important in considering any cuts in the defense budget. At a minimum, we must not provide economic recovery aid before we know who will use it and how it will be used, and before the heirs of the Soviet Union prove that they will draw on their vast surplus of military expenditures and production facilities. More generally, however, we should not take such aid out of the defense budget until it is clear that we can afford the military forces and capabilities we will need in a post-cold-war era.

I would not argue for a moment that we need everything funded in our current defense budget. If the current trends in the Soviet Union continue, and we should know in a few short months, programs like the B-2 will become a strategic albatross, programs like the SSN-21 will become the equivalent of a lead balloon, and we can certainly make further cuts in our forces for Europe and the so-called reconstitution forces whose only purpose is to fight world war III.

We need to recognize, however, that we began to spend a peace dividend in defense spending long before the recent coup attempt. We have cut real defense spending for 6 straight years, and we are in the midst of even more serious cuts. Real defense spending is already planned to drop by 13 percent between fiscal year 1991 and fiscal year 1996, and this will create a cumulative cut of 32 percent between fiscal year 1985 and fiscal year 1996.

Our force plans call for a 25-percent cut in our military forces by fiscal year 1996, and cuts of 33 percent in our number of active divisions, 40 percent in our Reserve divisions, 18 percent in our naval battle force, 38 percent in active tactical air wings, and 33 percent in our strategic bombers.

Defense spending is dropping precipitously as a percentage of both Federal spending and our GNP. Defense spending which was 57 percent of the Federal budget at the height of the cold war, and which was 27 percent during the height of the Reagan buildup, will drop to below 18 percent by 1995. Measured differently, defense spending will drop from a postwar high of 11.9 percent of

the GNP, and 6.3 percent during the Reagan administration, to 3.6 percent.

This level of defense spending will bring us close to the bare minimum we will need to make orderly cuts and changes in our forces, and to convert from a cold war strategy and force posture to one oriented toward the power projection missions of the future. Like it or not, we have become the one power in the world that can project enough military force anywhere in the world to halt aggression, deter conflict, and protect our interests and those of our allies.

This power projection strategy and force posture is not a new role. We exercised it throughout most of our history before World War II in the form of a wartime strategy. We have used military force more than 240 times since the end of World War II, and virtually all of these uses have been in contingencies that had nothing to do with the Soviet Union and the Warsaw Pact.

We have sized and shaped the bulk of our forces for such missions as much as for a cold war conflict. In fact, we have long accepted the military risk of having only about half the carrier and power projection forces that many joint staff studies have shown we really need.

We must not cut defense spending without a clear picture of the force posture we wish to preserve and the strategic capabilities we wish to preserve or create. We do not have a surplus of power projection capabilities, and it is important to note that our current defense spending and force plans will leave them badly short of sea and airlift, modern amphibious forces, long range tactical strike aircraft, mobile armored forces, and a host of other capabilities. As we cancel programs suited to the cold war, we may well need to shift these resources to the other military capabilities that will ensure we can rapidly and decisively project power without suffering serious casualties.

The recent gulf war has shown how critical these power projection capabilities can be, and how little warning we may have of the need for major deployments of U.S. forces. In fact, it was only Saddam Hussein's failure to act early in the conflict that gave us the time to deploy the forces needed to defend Saudi Arabia and liberate Kuwait. In an era where the proliferation of advanced conventional weapons, and nuclear, chemical and biological weapons is becoming common, we cannot afford to pretend that even the most radical cuts in Soviet military efforts would free us of the need for substantial military forces.

BURDENSHARING AND AID

This need for continuing American military power, mixed with the need to find resources to deal with our domestic and economic problems, explains why we should not undertake any major new responsibilities for providing the Union of Sovereign States and other former Soviet Republics with aid without a frank discussion of burden sharing issues with our allies, and without a clear agreement from the other industrialized democracies to bear a large share of that aid.

First, we need a coordinated effort, if we are to provide enough aid, make that aid effective, and ensure that all the former republics and Eastern European countries get the proper share of assistance. Second, we have spent roughly twice as much as the rest of NATO on defense and economic aid for virtually all of the cold war, and it is time that this imbalance of effort came to an end. Japan—which has spent less than one-fourth as much of its GNP on defense and aid—must fully join the other nations of the free world in providing for aid and our common security interests.

In the future, we will still be asked to pay in blood what most free world nations only seem willing to pay in gold. We must not ask the American people to pick up another burden the other nations will not bear. A new world order can only be forged if all the developed democracies do their share.

TAKING THE RIGHT APPROACH TO AID AND THE DEFENSE BUDGET

In summary, we should not let euphoria or misjudgment lead us to rush forward to provide economic aid to the new Union of Sovereign States or any other former element of the U.S.S.R. without establishing the proper preconditions. We should not rush forward to take funds out of the defense budget.

It may ultimately be in our strategic interest to provide the inheritors of the Soviet Union with the aid they need for economic reform, but we must do so only after we are certain who we are really aiding, after we are certain what we are aiding them to do, after we are certain that this aid will support a clearly defined and implementable economic reform plan, and after it is clear that is a good prospect that such plans can be implemented consistently and effectively over the required period of time.

We must provide such aid only after we are certain that suitable cuts will be made in the military efforts of the former Soviet Republics, after we have established suitable agreements for burdensharing with our allies, and under conditions where we can be sure that we can still fund an effective power projection strategy for United States forces.

Rushing to support the leader of the day in implementing the policy of the day is blind folly. It can waste billions of dollars without helping the Soviet people. It can undermine our security. And, it is almost certain to lead other nations to avoid their responsibilities in providing such aid.●

TRIBUTE TO THE FRANCES AIELLO DAY TREATMENT CENTER

● Mr. LIEBERMAN. Mr. President, I rise today to pay tribute to the recently opened Frances Aiello Day Treatment Center in Brooklyn, NY.

It is my pleasure to share with all of my colleagues the news that there are still individuals such as Danny, Rose, Joe, and Gloria Aiello, and organizations such as the Catholic Guardian Society of Brooklyn and Queens [CGS], who are dedicated to enhancing and improving the lives of those around them.

Mr. Danny Aiello, who has brought all of us joy through the characters he has portrayed in his movies, has provided the CGS with the means and opportunity to provide a second day treatment program for adults with developmental disabilities. The Aiello Center is a place where the adult participants, including multiple handicapped and nonambulatory individuals, can learn and grow and provide fellowship to each other.

Frances Aiello, for whom the center is named, taught her children by example. She taught them to be kind and generous, to persevere through life's struggles, and to try their hardest to achieve their fullest potential despite life's difficulties. Her children, in turn, are sharing this philosophy with others through the center. The Aiello family's generous commitment to their community reminds me of a passage from "I Shall Not Pass This Way Again":

Through this toilsome world, alas!
Once and only once I pass;
If a kindness I may show,
If a good deed I may do
To a suffering fellow man,
Let me do it while I can.
No delay, for it is plain
I shall not pass this way again.—(Author unknown.)

The Catholic Guardian Society of Brooklyn and Queens is devoted full-time to fostering self-esteem in the adult participants. There is no greater lesson to learn than to value one's own self-worth. There can be few greater gifts than to provide a community where this can be achieved. We can all be inspired by their example. I am sure Frances Aiello would approve.●

BRADLEY IS OUT FRONT ON CIVIL RIGHTS

● Mr. SIMON. Mr. President, the Member of the U.S. Senate who, in recent weeks, has two statements that are eloquent on the need for movement on civil rights is our colleague from New Jersey, Senator BILL BRADLEY.

I commend him for what he is doing.

Just as Senator JOHN DANFORTH and Senator EDWARD KENNEDY are leading in trying to fashion a civil rights bill that all of us can agree upon, our colleague from New Jersey is appealing to the conscience of the White House and

of Congress to be more sensitive to the whole black-white situation in our country.

I applaud that vision, that sensitivity, and that courage.

I ask to insert into the RECORD a column by Jack Germond and Jules Witcover titled, "Bradley Is Out Front on Civil Rights," which appeared in the National Journal.

The column follows:

BRADLEY IS OUT FRONT ON CIVIL RIGHTS

Sen. Bill Bradley, D-N.J., in sports, academia and politics, has always been known as a man who picks his spots. He passed up a lucrative professional basketball contract to go of Oxford University as a Rhodes scholar, then picked it up on his return and used his celebrity as a star with the New York Knicks, and as a brainy jock, to win a seat in the Senate.

Since his first election in 1978. Bradley's political career has been marked by caution—excessive caution, some would say. Perceived as one who seldom gets out front on a major controversial issue, he has paced himself carefully, turning aside pressures to seek the presidency prematurely (he will be only 48 later this month).

Because of this public perception, Bradley created a mild tremor in the Senate on July 10 when he took to the floor to castigate President Bush on his civil rights record in notably personal terms. He accused Bush of exploiting racial divisions for political ends by serving up "code words" and "grasping after an early advantage in the 1992 election."

Specifically, Bradley charged in his speech that the President, in describing pending Democratic anti-job discrimination legislation as a "quotas bill," had "tried to turn the Willie Horton code of 1988 [regarding furloughs for prison inmates] into the quotas code of 1992."

The charge itself was not new, but the intensity of Bradley's message seemed out of character for a politician known for, even criticized for, lack of passion. Bradley singled out Bush's opposition in 1964 to the landmark Civil Rights Act that desegregated public accommodations, quoting Bush as saying at the time that the proposal to permit blacks to use public rest rooms, drinking fountains, theaters and restaurants and hotels that were open to the public at large "violates the constitutional rights of all people."

Bradley asked: "Were you just opposing the civil rights bill for political purposes? Were you just using race to get votes? Did you ever change your mind and regret your opposition to the Civil Rights Act? If so, when? Did you ever express your regret publicly? What is your regret?" And, he added, "When you say today that you're against discrimination. I don't know what you mean because you have never repudiated or explained your past opposition to the most basic widening of opportunity for black Americans in the 20th century."

In an almost pleading tone, Bradley called on the President to "tell us how you have worked through the issue of race in your own life. . . . Where did you ever experience or see discrimination? How did you feel? What did you do? What images remain in your memory? Tell us more about how you grappled with the moral imperatives embodied in race relations and how you clarified the moral ambiguities that necessarily are a part of the attitude of every American who has given it any thought—any thought at all."

When Bush subsequently dismissed the Bradley invitation as "part of the liberal litany," Bradley made a second speech at the National Press Club a few days ago in which he said that "the President's silence . . . will not muffle the gunshots of rising racial violence in our cities" or "provide the candor necessary to overcome the obstacles to brotherhood."

Then, as if challenging Bush again to a public search of his private wrestling with the race issue, Bradley recalled at some length his own experience as a pro basketball player, touring the country nine months a year for a decade with the predominantly black New York Knicks. "Day in and day out," he said, "we lived together, ate together, rode buses together, laughed together and, of course, played together." It was, Bradley said, "one of the most enlightening experiences of my life.

"I understand what it is to be in racial situations for which you have no frame of reference. I understand the tension of always being on guard, of never totally relaxing. I understand the pain of racial arrogance directed my way. I understand the loneliness of being white in a black world. And I understand how much I will never know about what it is to be black in America."

This Bradley speech was actually his fourth in little more than a month accusing the Bush Administration of seeking to capitalize on racial division for political gain. It came as the Senate grappled with several civil rights-related issues, topped by a Republican-led effort to seek a compromise with the White House on the workplace discrimination legislation, and by the Supreme Court nomination of Clarence Thomas, an outspoken foe of affirmative action. What got into Bradley?

He explains that Bush's 1988 campaign tactics have continued to stick in his craw, and that the President's cavalier reaction to the civil rights legislation, dismissing it as a "quotas bill," obliged him to take Bush on. Bradley vows that he will not let up, hoping that this summer's Senate debates on the bill and on the Thomas nomination will ignite a wider demand, from other Senators and from the news media, that Bush explain where he is and where he comes from on dealing with race relations in America.

Bradley said he senses "a growing segment of the population that cares deeply about civil rights issues" and wants "a harmonious, pluralistic society that will take everybody to a higher ground," a segment "that has trended Republican but has really been up for grabs." So far, the New Jersey Senator said, "the Republicans have used this card [of racial division] without any cost." Bradley clearly hopes to rally this segment to hold the President accountable.

"This issue is not going to let up as far as I'm concerned," he said. "He's got to explain himself."

Bush, however, is a past master at dodging pesky questions. He routinely insists he has already answered them, as in the Iran-Contra story that won't die, and he wins public sympathy for enduring what he likes to call unfair "hounding" from the press and other critics. Bradley is likely to find himself in a debate with an empty chair.●

ALL-AMERICAN CITIES PROGRAM

● Mr. LUGAR. Mr. President, I rise today to ask that the following speech by Wayne Hedien be inserted in the CONGRESSIONAL RECORD. Mr. Hedien's remarks were delivered at a recent White House Rose Garden ceremony honoring the 10 cities chosen for the All-American Cities Program established and operated by the National Civic League. I believe his remarks will be of interest to my colleagues on both sides of the aisle.

The remarks follow:

ALL-AMERICA CITY AWARD MORNING CEREMONY

(Address by Wayne E. Hedien, chairman and chief executive officer, Allstate Insurance Co.)

Mr. President, we want to thank you for taking part in our program today. Your ongoing support of the All-America City Award Program means a great deal to all of us. It's a privilege for us to be with you here at the White House this morning.

You know, when the cornerstone for the White House was laid in 1792, the biggest city in the United States was Philadelphia—population 40,000.

Unfortunately, as the size of American cities has grown, so has the size of their problems.

But so, too, has the determination to do something about them.

Across America today, local governments, nonprofit groups, and businesses are joining forces to reclaim neighborhoods and revitalize whole communities.

That's what these awards are all about. The individuals and communities we honor saw that their cities faced very serious problems.

But they refused to make excuses—or compromises. Instead, they decided to make a difference—and they succeeded.

That, too, is part of a tradition that goes back to the beginnings of this country.

America was founded on the concept of the common good. It was built by neighbors helping neighbors—people taking the initiative and working together.

It reminds me, Mr. President, of how you described Americans volunteering to help each other out—the thousand points of light that brighten the face of this great country of ours.

That's the spirit embodied by the winners of this year's All-America City Awards. That's the legacy they share. And that's why Allstate is so proud to sponsor this program.

So if I may, Mr. President, I'd like to introduce the winners of the 1991 All-America City Award * * *

Representing Gadsen, Alabama, Mayor Steven Means * * *

From Greencastle, Indiana, Mayor Michael H. Harmless * * *

Mayor of the city of Baltimore, Maryland, Kurt Schmoke (Schmoke) * * *

From Gothenburg, Nebraska, Mayor Richard L. Blase * * *

Representing Newark, New Jersey, Donald Tucker, president of the Newark City Council * * *

From Albany, New York, Mayor Thomas M. Whalen III * * *

From Greensboro, North Carolina, Mayor Victor M. Nussbaum * * *

Mayor of the city of Dayton, Ohio, Richard Clay Dixon * * *

From Austin, Texas, Mayor Bruce Todd * * *

Representing Winchester-Frederick County, Virginia, Kenneth Stiles, chairman, board of county supervisors of the County of Frederick * * *

Mr. President, Henry, please join me in congratulating our 1991 All-America cities * * *.●

THE PAINT JOB

• Mr. KOHL. Mr. President, I rise today to pay tribute to a comedy-thriller about house painters and a love triangle. I do not do this to bring recognition to house painters—although I shudder to think of what America's neighborhoods would look like without them. And I am not here today to argue the superior qualities of the love triangle when used as a plot device. And I am not here to try and thrill you or amuse you, although I realize that that may happen. No, today, Mr. President, I am here to talk about the movie industry in Kenosha, WI, and to recognize the great contributions made by Mr. Mark Pollard and his film, "The Paint Job."

Mark Pollard, born and raised in Kenosha, is a filmmaker and publisher in New York. This past summer, Mr. Pollard recognized what more people in the movie industry are coming to believe—Wisconsin is a fine place to make movies. While it may lack the reputation for fame and glamour of New York or California, Wisconsin's towns, cities, fields, and forests, and most of all its friendly people and good business climate, make it an excellent backdrop for the big screen. So when Mr. Pollard brought his business back home to film a major motion picture, he knew he would have an excellent location.

I have not yet seen "The Paint Job," but I am fairly certain that a comedy-thriller about house painters and a love triangle filmed in Wisconsin would earn at least a thumbs up from this Senator. After all, the film generated income of approximately $1 million for both the local community and State businesses. From all reports, the people of Mr. Pollard's hometown were very intrigued by the film and enjoyed all of the action and excitement of having a major motion picture filmed there. A cooperative spirit prevailed between the people working on the film and the townspeople, and it seems to have been a real summer smash. There was even a fundraising party held to benefit the Kemper Center, an important resource for community activities, which was a great success as well.

Mr. Pollard's filmmaking in Wisconsin is not over yet. He plans to return to Kenosha in the next year or so in order to film another motion picture. I would like to express my appreciation for Mr. Mark Pollard's accomplishments this summer. While he brought a touch of Hollywood to Wisconsin, he also made the filming of "The Paint Job" a great experience for everyone who was involved. I would like to thank Mr. Pollard, his professional staff, his family, and the people of Kenosha for their efforts this summer. Here is to "The Paint Job," Mr. President, a Kenosha blockbuster.•

CRACK MAY BE CRACKING

• Mr. SIMON. Mr. President, recently the New York Times carried an editorial titled, "Crack May Be Cracking," which indicates that there is some good news on the drug front.

They also make a point that is extremely important, that we should be spending more on treatment. I would add, more on education. We have become enamored with strong law enforcement as almost the sole way to counter drug use.

The reality is, we need a much more balanced approach.

Yes, we do need strong law enforcement.

But we also need much more in the direction of treatment and education.

I ask to insert the New York Times editorial into the RECORD at this point.

The editorial follows:

[From the New York Times, Aug. 10, 1991]

CRACK MAY BE CRACKING

Tantalizing hints have begun to appear that the worst of the crack epidemic is waning. A few unexpected bright spots, for example, now illuminate New York City's social landscape: fewer children are going into foster care; crime reports are going down and so are hospital emergencies. There's a hopeful trend here for the country: Finally, crack cocaine use seems to be declining.

It's a trend that opens promising opportunities for long-neglected drug treatment programs to shrink the remaining pool of hard-core addicts, if only Government would respond.

National studies tracking drug abuse suggest that crack use peaked in 1988 or 1989. It's hard to apportion credit for the subsequent decline. Law enforcement and public health efforts surely had some effect. So has the remarkable advertising campaign mounted by the Partnership for a Drug-Free America. Its now-famous fried egg television spot ("This is your brain on drugs") so pervasively invaded public consciousness that egg producers began to complain.

But the decline may mean only the inevitable maturing of an epidemic. By now virtually all the people inclined to try crack have done so, and those who have become addicted constitute a declining population as they die or escape the habit. Street researchers in New York still find many crack users, but say it is hard to find people trying the drug for the first time.

The decline challenges public officials to provide badly needed drug treatment. Since the heroin epidemic of the 60's and 70's, America has developed a palette of treatments including methadone maintenance, detoxification and outpatient counseling, and residential therapeutic communities. Research shows one or another can work for many addicts, especially when they are carefully matched to the most appropriate treatment.

Treatment is also cost effective. Residential programs, the most expensive mode, cost about $15,000 per addict; a year in prison costs at least $25,000. A California study of the social costs of drug abuse—crime, health care, lost labor productivity—found that every dollar spent for drug treatment saved society more than $11.

With the aging of the crack problem, the yield on such an investment could be greater than ever, since addicts grow more inclined to seek treatment the longer their habits continue. New York officials apparently recognize the need. They protected drug treatment from severe cuts in the recently approved budget.

So far, that wisdom doesn't extend to Washington. Though Bob Martinez, the President's drug czar, says he wants more emphasis on treatment, the $512 million budgeted for treatment in 1991 remains a modest share of the $11 billion Federal anti-drug budget. And Congress remains cool to a White House request to spend $100 million more on treatment in places with serious drug problems. Instead, the lawmakers may even reduce treatment spending to $479 million for 1992.

Some in Congress favor exempting pregnant women and single parents from rules that bar funding of residential drug treatment by Medicaid health insurance for the poor. But legislation to do that faces an uncertain future.

Thus does Washington overlook a chance to seize on the trend and save millions of dollars, let alone neighborhoods, childhoods and lives.•

TRIBUTE TO UNITED PARCEL SERVICE

• Mr. GORE. Mr. President, I rise today to pay tribute to United Parcel Service for 25 years of operation in Tennessee. During those 25 years, this company has grown and prospered, offering thousands of Tennesseans opportunities to share in that growth and prosperity. I rise today to honor United Parcel Service [UPS] a model of American entrepreneurial spirit, celebrating 25 years of service to the great State of Tennessee.

United Parcel Service, now the world's largest package delivery company was founded in 1907 as a messenger company in Seattle, WA. Since that time, the corporation has been at the forefront of innovation and engineering in the transportation industry, growing from humble beginnings to become an international company serving 180 countries worldwide.

The first day of UPS' operation in Tennessee was September 6, 1966. They started with 94 drivers and 11 centers. Today UPS has 28 operating facilities in Tennessee employing 5,000 Tennesseans and serving over 19,000 customers. Nashville, TN, is also home of UPS' south central region office. Combined with UPS' own air fleet, these dedicated employees offer Tennessee customers an efficient link to the world.

I salute not only UPS' success and growth, but also the many contributions they have made to Tennessee. UPS is an innovative employer, offering scholarship and gift-matching programs to employees and also providing significant grants to educational institutions and charitable organizations such as day care centers, child abuse centers, and homeless centers. They have taken an active role in the communities in which they operate.

Mr. President, my friends at UPS have asked me to thank the thousands of dedicated Tennesseans, who have

joined their company; the thousands of loyal customers who use its services; and both their citizens and local, State, and Federal officials who have nurtured an economic environment where business and families can thrive. It is my pleasure to pay tribute to this unique corporate citizen and its talented and dedicated people.•

VOTE ON FINAL PASSAGE OF DOD AUTHORIZATION

• Mr. KOHL. Mr. President, it would be gratuitous and unnecessary to begin these remarks with a lengthy tribute to Senator NUNN and the committee he chairs. There is no Member of the Senate, no committee in the Senate, which approaches its task with more dedication, intelligence, and commitment. It is enough to simply say that even though I cannot support this bill, I appreciate the support that the chairman and the committee have given to our country's security.

The Senate passed the DOD authorization bill by a voice vote this year, but I want the Members of the Senate to know that I would have voted against this bill. I'd like to point out two specific reasons why this bill troubles me. First, when I voted for the committee's version of a limited defense against an accidental, unauthorized or terrorist missile attack against the United States, I indicated that I was concerned about the implications of the committee's language. As the debate on that language indicated, some saw development of a defensive system as a threat to the ABM Treaty. I did not believe then and I do not believe now that the committee language inherently commits us to violating the ABM Treaty. But I did express my concern about the possibility that it might allow us to pursue a course of action which would violate both the specific language of the treaty as well as its philosophic assumptions. I said at the time that the level of my support for the provision would depend on our ability to clarify the fact that it was treaty compliant. Well, we did adopt the Levin amendment which partly clarified the issue, but other attempts to pin down the implications of this system in terms of the treaty were defeated. That disturbs me.

By itself, however, that concern would not be sufficient to justify a vote against this bill. My more basic objection is to the amount of spending which this bill authorizes.

Now I heard Senator NUNN say, with some justification, that we had resolved that debate when we considered the budget resolution and authorized a certain level of spending for defense. But, Mr. President, that authorization was a ceiling, not a floor. The budget resolution never said we had to spend every penny we allocated to national defense. If we can find ways to spend less, without jeopardizing national security, we are certainly allowed to do it—and we certainly ought to do it.

But we did not, Mr. President. We did not.

This bill is replete with programs which cannot be justified. The B-2 bomber is perhaps the best example. As I have in the past, I voted against continued production of the B-2, a plane without a unique mission and without the ability to perform it if we found it. This year, however, the debate on the B-2 focused less on its mission and more on its monetary value.

We were told over and over again that if we authorized continued production of the B-2 we would actually save money because the B-2 is such a good plane that we would not need as many fighters, EF-11's, F-4G's and fewer tankers. But as Senator COHEN pointed out, we voted for the B-2 and, at the same time, voted for more fighters, EF-11's, F-4G's, and tankers. We claimed we would realize savings from the B-2 but did nothing to realize those savings.

Unfortunately, the B-2 is not the only example. We declined to cut funds for the SRAM-T missile even though even the chairman of the strategic subcommittee argued against it. We authorized the procurement of more MX missiles despite the fact that even the administration didn't request them. We authorized continued work on the MX rail garrison even though we do not plan to use the rail garrison system. We authorized at least a billion more than was needed for research on ballistic missile defense. And the list goes on.

During debate on these issues, Senator NUNN pointed out that all too often we only look for unnecessary spending in the defense bill. He is right. Those of us who support an agenda to improve the quality of life here in America sometimes aren't as critical of bills in our areas. We don't look carefully at the education budget, for example, to see if there are programs we can cut or savings we can achieve. That is a mistake. With a $3 trillion deficit we cannot afford to ignore waste and inefficiency just because it takes place in programs we happen to support. In fact, if we really support those programs—if we really care about education or the environment or health care—we have a special obligation to make sure that every dollar we spend achieves the results we want.

So I agree with Senator NUNN: We have to look at domestic spending as carefully as we look at defense spending. But the fact that we haven't cast a critical eye at domestic spending doesn't mean we ought to go blind when it comes to defense. We have to start wearing glasses—and green eye shades—when we look at both budgets.

The bottom line, Mr. President, is that there is no bottom line to this bill. It spends virtually every penny authorized by the budget resolution—despite the fact that specific savings could have been achieved and despite the fact that the military threat we face has declined. We may not have achieved a new world order yet, Mr. President, but we do live in a new world. The threat of hostile Soviet military action has declined and the Communist bloc has collapsed; but the threat created by deficit spending has increased and our need to address critical problems here at home has grown. It is time we adapted to those realities. In some ways this bill does. And in many ways this bill contains creative responses to the military challenges we face. But in my judgment the bill does not constitute an acceptable response to the total environment in which we live. Accordingly, I vote "no."•

IMPRISONED CLERGY IN VIETNAM

• Mr. SIMON. Mr. President, I have been one who has advocated removing the trade embargo from Vietnam and normalizing relations with that country. I believe it would help in resolving the MIA issue and would help in reducing the numbers of boat people because it would give people hope and improve the economy of that country.

But Vietnam sometimes makes it difficult for those of us who favor an improved relationship.

An article in America, "Imprisoned Clergy in Vietnam" by Anne Himmelfarb outlines in unfortunate and very real detail the abuses of human rights that continue to take place in Vietnam.

If our friends in Vietnam are serious about wanting an improved relationship with the United States, they also have to look at an improved human rights record in their country.

I ask to insert the article from America magazine into the RECORD at this point.

The article follows:

IMPRISONED CLERGY IN VIETNAM

(By Anne Himmelfarb)

Between April and September 1990, the Vietnamese Government launched a vicious campaign against religious leaders, journalists, writers, intellectuals, student leaders and foreigners. The wave of repression, a response to disorder and weakness in the Communist world and to Vietnam's own economic ills, recalled the worst days following the fall of Saigon. Arbitrary arrests, detentions, sham trials, indoctrination in "reeducation" camps, inhumane prison conditions and torture were all documented in Vietnam in 1990 by the U.S. State Department and independent human rights groups. The State Department puts the number of Vietnamese political prisoners detained without charge or trial in the thousands.

Even as these atrocities have been coming to light, the push to normalize our relations with Vietnam has been gaining momentum on Capitol Hill. Some in Congress—both liberals and conservatives—strongly believe that recognition of Vietnam is overdue. In

1987, Senator John McCain (R., Ariz.) introduced a resolution that would have established interest sections, or unofficial government offices, in Vietnam as a way of leading to full diplomatic relations with that country. Two influential Members of the Senate Foreign Relations Committee, Richard Lugar (R., Ind.) and Alan Cranston (D., Cal.), urged President Bush, in an October 1990 letter, to lift the nonstrategic trade embargo. Initiating trade with Vietnam, they argue, will open up new markets to U.S. businessmen, and an "added U.S. presence and increased commercial contact will contribute to an improvement in human rights practices." So far, President Bush is resisting, dissatisfied with the pace of progress on the Prisoner of War/Missing in Action (P.O.W.-M.I.A.) issue and with the level of cooperation on a Cambodian settlement.

The myth that "increased commercial contact" has a salutary effect on human rights practices should have been laid to rest by the U.S. experience with China, which crushed democratic demonstrations while enjoying "Most Favored Nation" trading status with the United States. Reestablishing trading relations will indicate to the Vietnamese Government, not outrage with its repressive tactics, but acquiescence.

The campaign against religion in Vietnam offers Americans a good measure of that Communist Government's contempt for rights in general. Freedom of belief is literally and conceptually the primary American freedom; guaranteed by the First Amendment, it is the freedom on which others—freedom of expression, of the press of assembly—depend. A government that refuses to recognize this most fundamental right is by definition totalitarian and incapable of permitting other liberties.

Persecution of clergy as a means of undermining religion is a time-honored policy of Vietnamese Communism, which has historically sought to suppress all ideological competition. With the fall of Saigon in 1975, the authorities immediately began the effort to crush Buddhism, Christianity and the indigenous Hoa Hao and Cao Dai sects in the South, having already done so in the North. A central part of this campaign was the arrest and internment in "reeducation" camps of clergy of all faiths. The charges brought against these religious leaders were the same as those being leveled against Vietnamese clergy today: "criticizing the political system," "fomenting unrest" and "possessing and disseminating counter-revolutionary propaganda."

The Communists also expelled foreign missionaries, closed down places of worship and religious presses and confiscated religious property. They seized and either closed or nationalized religious schools, seminaries, hospitals and orphanages. In a poignant symbol of the subjugation of religion to the state, the large Evangelical Nha Trang Seminary was shut down and reopened as a coastal defense installation.

Though Vietnamese citizens have the right in law to practice religion as they choose, Hanoi tolerates religion only in the service of the state. A 1977 party policy statement expresses the Government's aim of educating and motivating religious groups "to implement political tasks set forth by the party." To further that aim, it has established state-run religious associations (the Vietnam Buddhist Church, the Committee for the Solidarity of Patriotic Vietnamese Catholics and the Protestant Association), which, like their counterparts in China, deprive individual faiths of their autonomy and seek to use religion as an instrument for achieving socialist goals. The state's long-term goal is the complete eradication of religion.

The practices of the "reeducation" camps in which clergy (as political prisoners) are interned violate Vietnam's own Constitution, which prohibits torture and maltreatment of prisoners. Established to educate "the enemy of the proletarian class," these camps subject inmates to backbreaking manual labor and lengthy indoctrination sessions. Malnutrition and its attendant illnesses are common, and medical treatment is rare. Torture, including shackling of prisoners in tiny darkened cells or steel boxes exposed to the sun is widespread, and those attempting to escape from camps are executed. The case of Yoshida Ganshin, a Buddhist monk charged with "anti-governmental activities" and alleged theft, is a good illustration of the camps' brutal practices. Ganshin's 13 years of "reeducation" involved torture with electric shocks that left him without the use of his legs.

Exact data are difficult to come by in a closed society such as Vietnam, but Amnesty International estimates that at least 40 such camps were in operation as of early 1990. Camp conditions have changed very little since the early years of the regime, when, according to the Aurora Foundation, a Vietnam human rights group based in California, inmates died at the rate of 10 to 15 percent a year. Although a series of amnesties in the late 1980's freed thousands of political prisoners, many of the clergy have since been reimprisoned under Vietnam's revolving prison door policy. In 1981, the Aurora Foundation reports, acting Foreign Minister Hoang Bich Son stated that political prisoners were rearrested at a rate of 60 percent.

One of many clergy now serving a second jail sentence is the Rev. Dominic Tran Dinh Thu, an 84-year-old Catholic priest convicted in October 1987 of "propagandizing against the socialist system, sabotaging the solidarity policy, disturbing public security and terrorism"—all for holding adult religious education classes. The founder of the Congregation of the Mother Co-redemptrix, an indigenous Catholic religious order, Father Dominic chose to stay in his homeland after the Communist takeover while most of his community moved their base to Carthage, Mo. Having spent two years in solitary confinement following his first arrest in 1975, he was rearrested on May 15, 1987, and sentenced to life imprisonment. The sentence was later commuted to 20 years, though this can make little difference to an octogenarian.

After an initial period of internment in a harsh-regime prison off the Vietnamese mainland, Father Dominic is now being held at an indoctrination camp in Long Khanh, Dong Nai Province. Fourteen other priests of his order are interned in the same prison. As of late February 1991, he was being kept in an isolation cell, and his health was deteriorating. Father Dominic was offered a release on the condition that he renounce the priesthood, but he refused.

Father Dominic's case is far from unique:

On Feb. 22, 1991, the Rev. Dinh Thien Tu, an influential Protestant leader, was arrested. According to News Network International, Tu was charged with "abusing religious duties and being involved in social work without permission and with political ambition"; he has been sentenced to three years in a forced labor camp. On Feb. 25, 1991, Pastors Ai Dinh Tran and Vo Van Lac were arrested for unknown reasons.

Father Chan Tin, a 70-year-old Catholic priest who criticized the Government throughout the 1980's for its religious policy, was placed under house arrest on May 16, 1990, along with his associate Nguyen Ngoc Lan. They were charged with "carrying to activities aimed at opposing socialism, sowing dissension among religions, undermining the solidarity between religious and secular life, and compiling and supplying documents to other countries for use against the people's authorities."

In June 1990, authorities arrested 3,500 members of the Cao Dai, an indigenous Vietnamese sect in Tay Ninh Province and charged them with "harboring reactionary and counter-revolutionary troops." Two months later, over 1,000 Cao Dai believers in the same province were arrested.

On Aug. 15 and 16, 1990, Father Nguyen Van De, Sister Nguyen Thi Nhi and nine other Catholic leaders were tried in Ho Chi Minh City (Saigon), convicted of "spreading propaganda aimed at falsely portraying Vietnam's religious policy," and sentenced to between two and ten years in prison. Their "crime" was the translation and distribution of spiritual literature and prayerbooks from abroad.

Buddhist scholars Thich Tue Sy and Thich Tri Sieu were arrested with 12 other Buddhist monks and nuns in 1984, reportedly because the Government was uneasy with their growing popularity among Northern intellectuals. The Buddhists were detained for four years—some of them incommunicado—until being convicted at a mass trial of taking part in subversive activities. Thich Tue Sy and Thich Tri Sieu were given the death penalty. After international protest, the sentence was commuted to 20 years in prison. According to a report received in December 1989, Thich, Tue Sy has been transferred to an isolated camp in Xuan Phuoc, Phu Kanh Province, where he is believed to be suffering from malnutrition.

Le Thanh Que, S.J., was one of eight Jesuit priests tried as subversives and counter-revolutionary propagandists in June 1983 after they published their religious beliefs in a church newspaper. Now seriously ill with diabetes, high-blood pressure and psychological problems, Father Le Thanh Que is serving a 15-year sentence in indoctrination camp Z30 in Xuan Loc district, Dong Nai province.

Protestant pastors Nguyen Huu Cuong and Ho Hieu Ha suffered arrest and the closure of their Ho Chi Minh City churches in 1983 for refusing to join the Government-run Protestant Association. on Aug. 27, 1987, after four years of detention, the two pastors were convicted at a one-day trial. Found guilty of anti-revolutionary propagandizing, aiding illegal departures from the country and receiving money from abroad, they were sentenced to eight years, but were then just as arbitrarily released.

Buddhist monks Thich Quang Do and Thich Huyen Quang, critics of the Government's violations of human rights and leaders in the "outlawed" Unified Buddhist Church, have been detained since Feb. 25, 1982. Judged to be "a danger to order and security in important political, economic and strategic areas," they were exiled from Ho Chi Minh City and placed under house arrest in their native villages.

Vietnam's campaign against religion involves more than the arrest and imprisonment of clergy, however. The Government has systematically sought to undermine the autonomy of religious institutions in Vietnam and to inhibit ordination of clergy and enrollment in seminaries. It also restricts the publication of religious materials, sub-

jects sermons to Government approval, prohibits any sort of proselytizing and limits the movement of clergy.

The Government's effort to undermine religion in Vietnam by crushing clerical leaders has been alarmingly effective. As of 1987, the 300,000 Catholics of the Hanoi Archdiocese were served by 25 priests—five priests fewer than the 30 currently believed to be imprisoned in indoctrination camps. By late 1989, few priests in Northern Vietnam were under the age of 60. Although the number of Protestants seems to be growing among the Montagnards, an ethnic minority living in the highlands, their church as an institution has been virtually destroyed by the imprisonment of clergy and laypeople alike. With the loss of many of its monasteries, Buddhism, as it existed in Vietnam for 1,800 years, is also now in danger of dying out. Whether it survives as an institution in Vietnam may hinge on the support—and protest—of the rest of the world.

U.S. legislators, as well as some U.S. Catholic bishops and other clergy, have been persuaded, after talking with Vietnamese officials in the last year, that the Government's religious policies have changed. But Communists in Hanoi have been talking out of both sides of their mouths for a long time. Vietnam's Constitution, while granting religious freedom, also sets forth the principal justification used to persecute religious people in stipulating that religion cannot be used to violate the law. "We respect the people's freedom of belief and disbelief," claims a 1987 statement of the Government's religious policy, "and at the same time sternly punish under the law those individuals who take advantage of religion to oppose the revolution." The Government's duplicity is painfully apparent in the treatment of the elderly Father Dominic, whose life sentence was handed down just five months after Secretary General Nguyen Van Linh had conceded past errors in dealings with Catholics and promised to respect religious freedom.

In the last year, the Vietnamese Government has not deviated from its cruel and duplicitous stance toward religion, a stance that construes loyalty to one's faith as subversive and that sees clergy as "reactionaries in priests' clothing." While the persecution of clergy continues, institutional religion in Vietnam grows ever weaker and Vietnamese believers suffer physically and spiritually. Hanoi's eagerness to do business with the United States should be used as leverage to gain concessions on democratic reforms. Freeing imprisoned clergy and allowing religious freedom is a good place to start.•

KANSAS CITY, MO, LIFE UNDERWRITERS 100 YEARS OF SERVICE

• Mr. BOND. Mr. President, today I would like to take a few moments to recognize the Kansas City, MO Life Underwriters for their dedication and service to the community for more than 100 years.

Their exemplified quality of voluntarism and dedication to the community has made a difference in the lives of others. The Kansas City Life Underwriters Public Service Program, Insurance Olympics, has raised over $200,000 in the last 5 years for the Leukemia Society. They have been actively raising money and collecting food for the Salvation Army. The good deeds do not stop there. The Kansas City Life Underwriters are participants in local blood drives and have been a strong supporter of the Bone Marrow Registry.

In 1988 and 1989 they helped raise over $5,000 in contributions for the Jerry Lewis Muscular Distrophy Telethon. It is important that we remember to help those less fortunate than ourselves. The Kansas City Life Underwriters are a true inspiration to others.

Mr. President, I would like to extend my sincere congratulations to the Kansas City, MO, Life Underwriters for their service and commitment to the community. Various organizations and the State of Missouri have benefited from their hard work, and we look forward to their continued dedication to the service of others.•

THE 75TH ANNIVERSARY OF VFW GEN. JOSEPH WHEELER POST NO. 62, JERSEY CITY, NJ

• Mr. LAUTENBERG. Mr. President, I rise today to commemorate the 75th anniversary of the founding of the Veterans of Foreign Wars, Gen. Joseph Wheeler Post No. 62 located in Jersey City, NJ.

The Wheeler Post was organized in 1908 as the Lieutenant Walter Lee Post No. 4 of the American Veterans of Foreign Service. It was envisioned that the post would be composed of volunteers who had served during the Spanish-American War or other campaigns which might follow. At the time, there were no such organizations in New Jersey. The post continued until 1912 when the name of Gen. Joseph Wheeler was adopted and the post was designated as No. 62 of the American Veterans of Foreign Service. However, on February 10, 1916, Post No. 62 was officially recognized by the Veterans of Foreign Wars, a congressionally chartered veterans' organization.

Post No. 62 was named after the great Gen. Joseph Wheeler, a military leader during both the Civil and Spanish-American Wars. He was born in Georgia on September 10, 1836, and spent his childhood there. While still a youth his family moved to Connecticut where he grew into manhood. Joseph Wheeler graduated from the U.S. Military Academy at West Point in 1859. He served in the Civil War, was wounded three times and rose to the rank of Lieutenant General.

After the Civil War, General Wheeler took up the profession of law and in 1880 he was elected to his first of three terms as a Representative in the 47th Congress.

The General also served during the Spanish-American War where he negotiated the surrender at Santiago. In 1900 he was appointed to the rank of Brigadier General of the U.S. Army. In September 1900, he retired. Gen. Joseph Wheeler died in Brooklyn, NY on January 25, 1906, at the age of 69.

In 1915, the Ladies' Wheeler Post Auxiliary was organized and instituted. The auxiliary members, to this day, conduct many acts of charity for veterans and their families. Throughout its existence the Wheeler Post has always been at the forefront to assist veterans in need. In 1920 the post conducted 42 military funerals for World War I veterans. Over the years post members continually visited hospitals and homes for the sick. They also visit prisons where they assist incarcerated veterans with their problems. As the Wheeler Post grew, the needs of the members became more varied and in 1955 this led them to form a blood bank which would serve the veterans and their families.

Today, 75 years later, the Wheeler Post is still known for its civic work. The members hold memorial services throughout the year by laying wreaths at graves and monuments in their community. The veterans of Gen. Joseph Wheeler Post No. 62 and their auxiliary members ensure that the memories of their brothers and sisters never become clouded by time and that the importance of their sacrifices never fade away.

I would like to extend my warmest congratulations to all the members of Veterans of Foreign Wars, Gen. Joseph Wheeler Post No. 62 for reaching this significant milestone in its history.•

STATEMENT BY THE HONORABLE YOHEI KONO

• Mr. SIMON. Mr. President, over the August recess, I had a chance to read a statement by the Honorable Yohei Kono, chairman, Foreign Affairs Committee, Liberal Democratic Party and a member of the Diet, on the 50th anniversary of Hiroshima.

In his remarks, he apologizes in behalf of Japan for the Pacific War and takes a conciliatory stand that is a credit to him and the people of Japan.

Leaders of every country, including the United States, would be wise to recognize the wisdom and generosity of this example.

At this point, I ask to insert into the RECORD the statement of the Honorable Yohei Kono.

The statement follows:

HIROSHIMA AND PEARL HARBOR

(By Yohei Kono)

Japan owes the United States and Asia an apology for the Pacific War. The 50th anniversary of the attack on Pearl Harbor is a dramatic opportunity to reassure the international community, which is waiting to see how we contribute to the "new world order" and take political initiatives benefitting our economic power.

Americans have become more critical of Japan not only because of the trade imbalance and remarks by Japanese politicians that offend minority groups, but because they are dissatisfied with our support of the allied effort in the Gulf War.

Anti-Japanese feelings will intensify later this year as U.S. veterans' groups and other organizations hold commemorative events to mark Dec. 7.

There is no magic formula for alleviating American hostility toward Japan. Given the two nations' rivalry in world markets, conflicts of interest are inevitable for the time being. Both countries need the wisdom to cope patiently with trade friction.

Japan's past failure to vow never to repeat such deeds as the colonization of Korea, invasion of China and seizure of other parts of Asia during World War II has made people in the region distrustful of Tokyo and impeded our efforts to play a constructive international role.

During a visit to Singapore in May, Prime Minister Toshiki Kaifu became the first Japanese premier to express publicly heartfelt regret for the "unbearable suffering and sorrow" Japan inflicted during the war. This important action should be constantly reinforced by appropriate expressions of remorse and sincere repentance. We have to be very careful not to offend our neighbors by distorting the history of Japan's aggression.

Cooperative relationships with the advanced industrial democracies, particularly the United States, and with countries in the Asia-Pacific region are the keystone of our foreign policy. Accepting moral responsibility for the past is a prerequisite for amicable ties. The "peace proclamations" issued by the mayors of Hiroshima and Nagasaki at ceremonies marking the atomic bombings on Aug. 6 and Aug. 9 are an ideal forum for addressing the world.

For the past decade I have participated in these observances on behalf of the Japanese Parliamentary Association for the Promotion of International Disarmament, but one aspect has always bothered me.

Of course I extend my sympathy to A-bomb victims, their relatives and the survivors who still suffer from radiation. But these proclamations speak of Hiroshima and Nagasaki without mentioning the ultimate cause of the tragedies: Japan's aggression in Asia and the December 1941 attack against the United States and Great Britain.

People from other countries who hear or read these statements must think we are indifferent to the massive loss of life and devastation Japan brought on. Americans may also feel that laments about the atomic holocaust devoid of reference to Pearl Harbor are one-sided and inflammatory.

Since 1989, the Nagasaki proclamation has noted the surprise attack on Pearl Harbor, and last year it also touched on Japan's colonization of Korea and the war against China (1931–45). This year, the Hiroshima declaration should include similar references. Prime Minister Kaifu, too, ought to allude to this historical context at both ceremonies.

The people of Hiroshima, in deciding on the content of their statement, should bear in mind that it attracts worldwide attention. This August is a chance to make amends for Pearl Harbor.●

GREEN THUMB

● Mr. BOND. Mr. President, today, I would like to take a few minutes to recognize the Green Thumb Programs of America. The Green Thumb Program is a national nonprofit employment and training organization for older, impoverished Americans. Established 25 years ago today, Green Thumb has more than 18,500 participants in 44 States and Puerto Rico. They are able to place more than 20 percent of these outstanding older workers in permanent jobs each year.

Green Thumb has dramatically improved the lives of all of those it touches. It has provided a source of income that has enabled the older workers to pay for many necessities of life that they might not otherwise be able to afford. It also has provided these mature citizens with a sense of purpose and new friendships that a job can offer. Older workers are then able to enrich other lives in their communities—children and teenagers, the ill, the lonely and homebound, and the general public who drive over improved roads, play in parks, in use libraries, and visit historical sites where Green Thumb enrollees work.

Mr. President, the State of Missouri has been fortunate enough to have the Green Thumb Organization working in its communities since 1972. I would like to thank them for providing the older, dependable workers with the opportunities to do the many worthwhile projects that have so greatly benefited our State. And I would like to offer my congratulations to Green Thumb as they celebrate their 25th anniversary, and my best wishes for many more years of continued success.●

DR. GOLDSTEIN AND DR. KUNG

● Mr. LAUTENBERG. Mr. President, I rise today to pay tribute to Dr. Gideon Goldstein and Dr. Patrick Kung, two men who have made tremendous strides in kidney transplant research.

In the 1970's, nearly half of all the kidney transplants failed. The drugs used to prevent the patient from rejecting the kidney showed little success. This was a heartbreaking project as the patients and their families worked so desperately to find suitable donations but to no avail as the patient's chances of rejection were so high.

When Dr. Goldstein was teamed with Dr. Kung, both of Johnson & Johnson's Ortho Pharmaceuticals Corp., they discovered and created a series of antibodies that worked to clear harmful cells and facilitate the acceptance of a transplanted kidney. In 1981, the New England Journal of Medicine published the results of the monoclonal antibodies. When a patient was at risk of rejecting a kidney, they were administered the antibody. In a matter of hours, the destructive cells were cleared from the transplant patient and the rejection process was subsequently reversed. These same antibodies have been tested for a wide range of possibilities in other medical situations such as rheumatoid arthritis and graft-versus-host disease.

Originally from Australia, Dr. Goldstein had no intentions of working with therapeutic antibodies. However, Dr. Kung had experience in tagging cells. Cooperating together, these two doctors have put their names in medical textbooks. By demonstrating the great potential of these antibodies, this pair has sped up the FDA's review of biotechnology drugs. They have also earned the gratitude of transplant patients.

As a result of their breakthrough, Dr. Goldstein and Dr. Kung will be presented with the Discoverers Award given by the Pharmaceutical Manufacturers Association. This annual award is given to scientists whose research has benefited mankind. The contributions made by these two men advances medical knowledge and expertise. I commend these doctors for demonstrating the very best of today's science. Their work required dedication and belief in what they were doing. I thank them for improving the quality of life.

[From Sundstrand Today, July 26, 1991]

SUPPORTING SMALL BUSINESSES STRENGTHENS OUR MANUFACTURING BASE

The government's Small and Small Disadvantaged Business (S/SDB) programs are designed to develop our country's small and minority owned businesses. Sundstrand supports this program and is taking steps to exceed the goals established in our subcontract plans prepared for each government contract we receive. Only by developing our Small and Small Disadvantaged Businesses will our country's military and commercial manufacturing base remain sound.

Sunstrand's Small Business Liaison Officers (SBLOs) welcomes, and in fact needs, your support in achieving the Company's goals. The following will introduce you to the SBLOs and their programs.

Bernie Weiss, Vice President, Contracts, Compliance and Management Services, serves as the Socio-Economic Executive for the Corporation. He is responsible for the overall success of the programs within the Corporation. He has been active in the institutionalization of the senior design project with Howard University.

Terry Hargrove, Manager of Procurement Administration, Aerospace, is the Corporate SBLO. He coordinates the efforts of the SBLOs within the Corporation. He also represents the Corporation's S/SDB concerns at meetings with various organizations.

Kaye Marion is the SBLO and Purchasing Administration Manager for the Power Systems division. Kaye is leading one of Sundstrand's most successful SDB programs. Power Systems consistently exceeds the government goals and has been recognized by the San Diego Small Business Administration Office for outstanding performance. Their participation with SDBs in the Hispanic community of San Diego contributed largely to Sundstrand's receipt of the Congressional Hispanic Aerospace Award in 1990.

Lee Zollar is the Aerospace Rockford SBLO and Competition Advocate. He is active with local organizations and is frequently called upon to participate in panel and round table discussions with members of the Small Business Administration and other corporations. Lee's activities have been recognized by Senator Sam Nunn, Chairman of the Senate Armed Services Committee and Congressman Les Aspin, Chairman of the House Armed Services Committee.

Sundstrand Data Control's Small Disadvantaged Business team is made up of Dave Gmahl, Material Manager; John Rogers, Procurement Manager; and Steve Sudol, Small Business Liaison Officer. Redmond's SDB program has been recognized by the Puget Sound Defense Contract Management Area Operations office for being the only company in the region to consistently meet or exceed the goals for S/SDB awards.

Gayle Harvey is the SBLO and Director of Corporate Purchasing and Facilities for Sullair. While Sullair's government sales are limited, they continue to strive to add qualified Small and Small Disadvantaged Businesses to their supplier base. They have been active with local organizations and contribute greatly to the Corporation's programs.

Falk's team consists of Harold Anderson, Purchasing Manager, and Roger Krystowiak, SBLO. Falk supports Milwaukee area associations and recently participated in the Milwaukee Association of Purchasing Management Disadvantaged Business Day. Falk matches suppliers' abilities with their needs, and provides technical and quality assistance to assist them in meeting Falk's requirements.●

SUNDSTRAND'S COMMITMENT TO SMALL AND SMALL, DISADVANTAGED BUSINESS

● Mr. SIMON. Mr. President, Congress has established a variety of programs and policies to encourage and provide incentives for companies that contract with the Federal Government, that use small and small, disadvantaged businesses in meeting the Government's needs. Recently, the Congress established as a governmentwide goal that 20 percent of all Government contract and subcontract dollars should be awarded to small business and that 5 percent of all Government contract and subcontract dollars should be awarded to small, disadvantaged businesses.

Most major Federal Government contractors have a well-established program for identifying and using small and small, disadvantaged businesses in their purchases. Today, I want to note the accomplishments of one of those companies in my State—Sundstrand Corp., headquartered in Rockford.

According to reports filed with the Department of Defense, through the first half of this fiscal year, Sundstrand has place 66 percent of their subcontract purchase dollars with small business and 6.1 percent with small, disadvantaged businesses.

In further support of their commitment, the company published an article in their companywide newspaper, Sundstrand Today, describing the people and the efforts made in supporting small business.

I ask that the text of this July 26, 1991 article be inserted into the RECORD at this point.

The article follows:

EXCEEDING GOVERNMENT GOALS

The government has established goals for contractors to meet in supporting the Small and Small Disadvantaged Business program. The goal is to spend 20 percent of subcontract dollars on small businesses and 5 percent on small disadvantaged businesses. Sundstrand's results for the first half of fiscal 1991 (October 1, 1990—March 31, 1991) are as listed.

[In percent]

	Small	SDB
Aerospace (Rockford)	60	2.0
Falk	80	2.8
Sullair	33	0.02
Sundstrand Data Control	62	5.5
Sundstrand Power Systems	69	9.0
Total Corporation	66	6.1

"Overall the Corporation is doing quite well, however, each division reports separately," said Terry Hargrove. "This being the case, we could use some improvement in the area of Small Disadvantaged Business subcontracting."●

CELEBRATING OATS, INC., 20TH ANNIVERSARY

● Mr. BOND. Mr. President, I would like to take a few moments to recognize Oats, Inc., on their 20th anniversary. Oats, Inc., has been devoted to serving others for two decades.

Oats provide specialized transportation for the elderly, disabled, and rural citizens of Missouri. Oats volunteers are a true inspiration to others. They have found fulfillment in their lives by volunteering their time and talents in order to help those less fortunate than themselves.

Mr. President, I would like to extend my congratulations and best wishes to Oats, Inc., for 20 years of service to others, and hopes for continued success in the future.●

EDWARD J. OPALACZ

● Mr. DODD. Mr. President, Edward J. Opalacz has devoted his life to serving the public at virtually all levels. A member of the American occupation force in Japan during World War II, "Eddie" Opalacz served our country for 4 years of active duty. He attained the rank of colonel before being discharged in 1946.

After valiantly serving our country, Eddie began to concentrate his efforts on serving the State of Connecticut. In 1949, he was elected to the State House of Representatives, and it was here that Eddie began what would amount to more than 40 years of outstanding public service to the State of Connecticut. Eddie served as a State senator representing the 33d District in 1951, 1953, and 1955. During his reign as State senator he held the respected and important position of chairman of the senate appropriations committee. As chairman he was instrumental in obtaining the necessary funding for many worthy projects including the Wadsworth State Park in Middlefield.

At the local level, Eddie has demonstrated his commitment to education and the youth of Middletown by actively supporting the construction of Xavier and Mercy High Schools. Eddie is also an active fundraiser and participant in various athletic programs and activities including the YMCA and the Polish Falcons.

Mr. President, Edward Opalacz has served the public at the national, Federal, and local level. He is a credit to us all, and particularly to those of us in the State of Connecticut. His commitment and energy are truly commendable, and it is an honor to pay tribute to him.●

TRIBUTE TO NELL ASPERO, MEMPHIS, TN

● Mr. SASSER. Mr. President, I rise today to pay tribute to Mrs. Nell Aspero of Memphis, TN, for her exemplary 50-year career in the law profession. It is with great pride that I recognize Mrs. Aspero on behalf of all Tennesseans as a pioneer and innovator in her field.

Mrs. Aspero abandoned a career as a piano instructor in 1936 to begin her law studies at the University of Tennessee where she was the only female law student. When she passed the bar in 1938, only two women were practicing law in the city of Memphis, and Mrs. Aspero became the first female attorney from Memphis licensed to practice before the U.S. Supreme Court.

Mrs. Aspero sought to further the role of women in the law by organizing the women's section of the Bar Association of Tennessee—the first organization of female lawyers in my State. Her enduring commitment to professional equality has forged new paths for women who otherwise might have been faced with prejudice and chauvinism.

A native Tennessean, this remarkable woman holds degrees from Southwestern College, Memphis State University, and a law degree from the University of Memphis, later part of Memphis State University.

Mr. President, I join all fellow Tennesseans in commending Nell Aspero for her distinguished career as an attorney and for her many valued contributions toward professional equality for women in the practice of law. Furthermore, I extend to her my best wishes for continued success in all her future endeavors.●

WHO KILLED THE A-12?

● Mr. D'AMATO. Mr. President, the latest issue of Proceedings includes a letter in the comment and discussion section from Comdr. Jim Hays, USN (retired). I believe that Commander Hays perfectly captures both the unique aspects and proper focus and future of naval aviation.

I commend this essay to my colleagues, and ask that the full text of the letter be printed in the RECORD immediately after my remarks.

The letter follows:

WHO KILLED THE A-12?

(By Comdr. Jim Hays, U.S. Navy, Retired)

The recent cancellation of the A-12 program could be just the opportunity the Navy needs. We can redefine our mission in light of what is possible with existing platforms, and get ourselves off an agonizing hook.

Naval aviation communities tend to be fairly parochial, and tend to blow a lot of smoke about each particular community's capabilities. Unfortunately, this smoke rises to the top of the National Command Authority, where in competition with smoke from other services, it may obscure reality. Well, the other services will have to explain their failures in due time. Most naval air tacticians I know realize that the "deep strike" so identified with the medium-attack community is a true shot in the dark, at best. The alone-and-unafraid mission to a high-value strategic target deep in enemy territory is very expensive to undertake, and presupposes worthy, attainable, strategic targets beyond tactical aircraft range, yet within the carrier air wing's sphere of responsibility. While each of these concerns raises reservations about putting strategic bombers on the carrier, an accurate definition of the carrier air wing's sphere of responsibility is the key to the future of carrier aviation. Don't we have enough to do without the deep-strike mission? I don't think we can do it, and I don't think we need it. We need to challenge ourselves out of the medium-attack parochial view. Doesn't the national Command Authority already have strategic bombers and ballistic missiles to cover this remote military mission?

I suggest the role of Navy air is to support the maritime strategy of maintaining sea lines of communication (SLOCs) and of supporting that portion of strategy involving power projection ashore. Maintaining open SLOC's involves the carrier air wing's (CVW's) war-at-sea fighting capability. We should look at the CVW's capabilities without regard to those of the surface and subsurface naval forces. The CVW must, above all else, contribute to the establishment of the necessary level of maritime air superiority. Large, sub-sonic aircraft are a step backward in interceptor/fighter design. Air warfare would be better served by replacing the A-6s/A-12s by simply increasing the numbers of F-14s/F-18s on the carrier. For striking the enemy fleet, air-defense suppression, standoff, and shoot-wait-shoot hardware and doctrines have surfaced the S-3B as a truly effective multi-mission platform, in addition to the Tomcat and Hornet. In short, loss of the A-12 will not adversely affect the CVW capability in war-at-sea. In fact, if the deck loading is maintained by simply increasing the numbers of S-3Bs/F-18s/F-14s in place of the A-6s/A-12s the CVW will better complement the warfighting capability of attack squadrons.

In power projection, I view the carrier as a tactical platform. The carrier's strategic implications come from her mobility and tactical potential once in the area of concern, not in having an embarked strategic bomber. The large, slow, relatively vulnerable-in-daylight A-12 would have tied up a significant portion of the flight deck with a platform that has restricted tactical application, compared with existing tactical platforms such as the Hornet, Tomcat, or the Strike Eagle—all of which can strike with precision, self-escorted, day or night. In World War II, Korea, Vietnam, Lebanon, Libya, Grenada, and Panama, carrier aviation has been tasked to provide tactical air power, not strategic deep strikes. The carrier-based, subsonic strategic bomber does not qualify as a dinosaur—it's a myth.

Ultimately, the dying gasp from the medium-attack community will ask about range. The answer is we don't want it. The alone-and-unafraid deep-strike platform is incompatible with the typical sphere of responsibility. Now is our chance to redefine our capabilities in power projection along lines we know are realistic and compatible with a martime strategy we are happy supporting, based on the loss of the medium-attack A6/A-12. This is more accurately described as a transition from medium attack to the strike-fighter community. This will complete the transition of Navy attack begun by the light attackers when they had the foresight to come up with a strike fighter as their own replacement. The carrier air wing will emerge from this transition as a hard fighting asset with tactical flexibility and the strategic mobility of the carrier.

I frankly do not view this loss of next-generation technology as total. It can be in the next aircraft we buy. We do not need that technology soon. It appears that a little stealth is cost-effective for a carrier based strike-fighter, but a lot is not.

Naval advocates in the National Command Authority need not represent the carrier as an end-all do-all asset. It has limitations, and naval aviators who grow up to be somebody without losing their parochial blinders simply overload our agenda. We are facing significant budget cutbacks, so why not take something off our agenda? Whether we adapt the F/A-18 or an F-14 strike version to replace the A-6, we can come out of this smelling like a rose—with the same or better operating and training budget the same or better deck loading, a more palatable obligation to the National Command Authority, and an air wing capable of delivering what we promise. Let's take this opportunity to redefine our sphere of responsibility in light of what is possible, without medium-attack/deep strike, and get ourselves off our painful hook.●

ADDITIONAL COSPONSORS TO S. 1562—THE SELF-RELIANCE SCHOLARSHIP ACT

● Mr. BRADLEY. Mr. President, as we return to business here, many of our children and our constituent's children are returning to school. Some are starting college; some just beginning the years of talking tests and planning for higher education. Some are already working, and thinking about how to obtain the education they need for better jobs. For all, it is a stressful time, not only because of the academic challenges ahead, but because of the incredible cost of better education.

When I was home this August, visiting with New Jerseyites on the shore and in our schools and neighborhoods, I was very pleased by the enthusiastic reaction to my proposal for self-reliance scholarships as a solution to the skyrocketing cost of higher education. Self-reliance would provide any American, at any age up to 50, as much as $33,000 for higher education, to be paid back as a small percentage of the higher income that education makes possible. On returning to Washington, I have been pleased to see that my colleagues have responded as enthusiastically to the self-reliance idea as have New Jersey families.

In particular, I would like to thank my distinguished colleague on the Labor and Human Resources Committee, Senator BINGAMAN, for lending his support and insight to the self-reliance idea. Senator BINGAMAN's work to improve American education has been extraordinary in its breadth and diligence. I believe that he and I share the view that we must demand more from American students, but that we must also promise them more. If they study, work hard, possess ability and try to make the most of it, they should be able to go to the college or university that's right for them, without family income being a barrier. I would like to add Senator BINGAMAN as a cosponsor of S. 1562, the Self-Reliance Scholarship Act.

Further, I understand that my colleague Senator LIEBERMAN was also at home in Connecticut during July and heard the same kind of enthusiasm from families in that State for a new way to pay for college. I am very pleased to have Senator LIEBERMAN's support, and would ask that he, too, be added as a cosponsor to S. 1562.

It is good to have confirmation that the self-reliance scholarship option is indeed an idea whose time has come. I ask unanimous consent that Senator BINGAMAN and Senator LIEBERMAN be added as cosponsors of S. 1562.●

SEQUENTIAL REFERRAL

Mr. HARKIN. Mr. President, I ask unanimous consent that Calendar No. 168, S. 1088, the Tobacco Product Education and Health Protection Act of 1991, be sequentially referred to the Committee on Commerce, Science and Transportation, for the remainder of this calendar year; and that if S. 1088 is not reported by the Committee on Commerce, Science and Transportation within that time, the bill then be automatically discharged and returned to the calender.

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

ORDERS FOR TOMORROW

Mr. HARKIN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 a.m., Wednesday, September 11, 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 a.m., with Senators permitted to speak therein; that during morning business Senators GORE and ROCKEFELLER be recognized to speak for up to 20 minutes each; and that

Senator SIMON be recognized to speak for up to 10 minutes, further that at 10 a.m. the Senate resume consideration of H.R. 2707, the Labor, HHS appropriations bill.

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

ORDER OF PROCEDURE

Mr. HARKIN. Mr. President, I ask unanimous consent that Senator INOUYE and Senator KASTEN be recognized to speak for up to 5 minutes and that at the completion of their remarks the Senate stand in recess as under the previous order until 9 a.m. tomorrow.

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

The Senator from Wisconsin is recognized.

Mr. KASTEN. Mr. President, are we in morning business?

The PRESIDING OFFICER. The Senator is correct.

ABSORPTION GUARANTEES HUMANITARIAN ASSISTANCE FOR SOVIET AND ETHIOPIAN REFUGEES RESETTLING IN ISRAEL

Mr. KASTEN. Mr. President, I, first of all, ask unanimous consent that an amendment that I intend to propose on behalf of myself and the Senator from Hawaii [Mr. INOUYE] be printed in the RECORD.

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

On page 28, between lines 20 and 21, insert the following:

Title III of chapter 2 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 226. LOAN GUARANTEE PROGRAM FOR RESETTLEMENT OF REFUGEES IN ISRAEL.—(a)(1) During the period beginning on October 1, 1991, and ending on September 30, 1996, the President shall issue guarantees against losses incurred in connection with loans to Israel for the purpose of providing economic assistance to Israel and the economy of Israel in connection with the extraordinary costs occasioned by Israel's humanitarian undertaking to resettle and absorb Soviet and Ethiopian refugees. The authority of this subsection is in addition to any other authority to issue guarantees for any such purpose.

"(2) The total principal amount of guarantees which may be issued under this subsection in any fiscal year shall not exceed $2,000,000,000, except that, in the event that less than $2,000,000,000 of guarantees is issued in any fiscal year, the authority to issue the balance of such guarantees shall be available in any subsequent fiscal year ending on or before September 30, 1996. Each guarantee issued under this section shall guarantee 100 percent of the principal and interest payable on such loans. Loan guarantees shall be made in such increments as the government of Israel may request. The guarantee for each such increment shall be obligated and committed within 30 days of the request therefor, and the issuance of the guarantee for each such increment shall occur within 60 days of such request, unless a later date is selected by the government of Israel.

"(b) The standard terms of any loan or increment guaranteed under this section shall be 30 years, with semiannual payments of interest only over the first 10 years, and with semiannual payments of principal and interest, on a level-payment basis, over the last 20 years thereof, except that the guaranteed loan or any increments issued in a single transaction may include obligations having different maturities, interest rates, and payment terms if the aggregate scheduled debt service for all obligations issued in a single transaction equals the debt service for a single loan or increment of like amount having the standard terms described in this sentence. The guarantor shall not have the right to accelerate any guaranteed loan or increment or to pay any amounts in respect of the guarantees issued other than in accordance with the original payment terms of the loan. For purposes of determining the maximum principal amount of any loan or increment to be guaranteed under this section, the principal amount of each such loan or increment shall be—

"(1) in the case of any loan issued on a discount basis, the original issue price (excluding any transaction costs) thereof; or

"(2) in the case of any loan issued on an interest-bearing basis, the stated principal amount thereof.

"(c)(1) Before the issuance of the first guarantee under this section, the Government of Israel shall provide the President with written assurances that such loans will be used only for projects or activities in geographic areas which were subject to the administration of the Government of Israel before June 5, 1967, to be stated in the same manner as was provided in the grant agreement with Israel for fiscal year 1991 under chapter 4 of part II of this Act.

"(2) Section 223 shall apply to guarantees issued under subsection (a) in the same manner as such section applies to guarantees issued under section 222, except that subsections (a), (e)(1), (g), and (j) of section 223 shall not apply to such guarantees and except that, to the extent section 223 is inconsistent with the Federal Credit Reform Act of 1990, that Act shall apply. Loans shall be guaranteed under this section without regard to sections 221, 222, and 238(c). Notwithstanding section 223(f), the interest rate for loans guaranteed under this section may include a reasonable fee to cover the costs and fees incurred by the borrower in connection with financing under this section in the event the borrower elects not to finance such costs or fees out of loan principal.

"(3) Notwithstanding any other provision of law, fees charged for the loan guarantee program under this section shall be an aggregate origination fee of $100,000,000, payable on a pro rata basis as each guarantee for each loan or increment is issued.".

The loan guarantees authorized pursuant to section 226 of the Foreign Assistance Act of 1961 (as added by this Act) for fiscal year 1992 and for each of the four succeeding fiscal years shall be made available without need for further appropriations of subsidy cost as the fees required to be paid by the borrower under section 226(c)(3) of the Foreign Assistance Act of 1961 reduce the subsidy cost to zero.

Mr. KASTEN. Mr. President, the senior Senator from Hawaii and I will propose an amendment which provides $2 billion in absorption guarantees for fiscal year 1992 and for a like amount in each of the following 4 fiscal years, to help Israel finance absorption costs associated with the resettlement of Soviet and Ethiopian refugees.

The administration has asked that Congress delay consideration of this bill, and Senator INOUYE and I, and others, will continue our dialogue with the administration on that request. In the meantime, we believe it is important that this amendment be put forward so that whatever the timing of its enactment, we can more closely examine the substance of this proposal.

The massive wave of immigration into Israel which began in 1989 continues. Since then, nearly 350,000 have immigrated to Israel, and it is estimated that the total will reach 1 million by the end of 1995.

This tremendous immigration is the fruition of United States policy on Soviet Jewry begun by our late esteemed colleague, Senator HENRY JACKSON. Through successive administrations going back 20 years, we made the free immigration of Soviet Jews a cornerstone of United States foreign policy. The scope of this current immigration is unlike anything Israel has seen since after World War II and the creation of the State. It represents nearly a 25-percent increase in her total population.

This legislation answers many concerns expressed by our colleagues and others, including the administration, in a manner we believe will result in support from all parties involved. I would like to explain some of its provisions.

As requested by the Government of Israel, this bill provides loan guarantees to Israel to help defray the extraordinary costs of resettling and absorbing Ethiopian and Soviet refugees. The program is similar to the $400 million housing guarantee we provided last year.

The loan guarantees under the legislation shall be obligated and committed within 30 days of the request, and issued within 60 days of the request.

On the matter of subsidy costs, the legislation provides for an aggregate origination fee of $100 million, payable to the U.S. Government on a pro rata basis as each guarantee for each loan is issued. In other words, Israel will pay for the subsidy cost. The credit reform law requiring subsidy appropriation states that any such subsidy is net of any fees paid to the U.S. Government.

Under this legislation, we estimate that subsidy costs for Israel are 1 percent. Over 5 years, this is a total of $100 million. We have crafted the legislation so that American taxpayers are not asked to provide any additional funding for these guarantees. Instead, the legislation requires that Israel directly pay this subsidy cost, obviating the need for an appropriation.

Another provision I would like to highlight is one which requires that the Government of Israel, before the is-

suance of the first guarantee, provide the President with written assurances that such loans will be used only for activities in geographic areas subject to the administration of Israel prior to June 5, 1967. This has been U.S. policy since that time, but insofar as we know, this is the first time it has been written into the law.

Before I yield to Senator INOUYE, I would like to emphasize that our purpose today is to present the legislation so that substantive discussion may begin on the absorption of these refugees. We continue to deal with the administration on the matter of delaying this legislation. It is our hope that when time comes for its enactment, it will receive enthusiastic support from all quarters of our Government.

I ask unanimous consent that the formal request from the Government of Israel be printed in the RECORD along with a study by the sovereign assessment group of Salomon Brothers on the creditworthiness of Israel and a memorandum on the application of the Credit Reform Act.

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

REQUEST FOR U.S. GOVERNMENT CREDIT GUARANTEES IN THE AMOUNT OF $2 BILLION PER ANNUM FY 1992–FY 1996

The people of Israel have approached the people and the Government of the United States of America to assist in the humanitarian challenge of rescuing and resettling one million Soviet Jewish refugees in Israel, as well as additional immigrants from Ethiopia and Eastern Europe.

The lessons of World War II serve as a permanent reminder that economic constraints should not block the provision of a safe haven for Jewish refugees in need of protection and resettlement. Ongoing instability in the republics of the former Soviet Union and the tradition of hostility toward Jews in these regions, in particular in times of economic duress, are causes of great concern. Temporary short term financing difficulties must not hinder the exit of Jewish refugees from the Soviet Union, and elsewhere, to safety and freedom. In this era in which there have been increasing manifestations of anti-Semitism in various parts of the world, Israel is committed to provide a haven for Jews seeking a secure home.

To this end, the Government of Israel has requested that the United States Government extend guarantees for credits to be raised on the U.S. capital market in the amount of US$ two billion a year for the fiscal years 1992–1996. These credits are essential for the successful absorption of the refugees immigrating to Israel.

I. IMMIGRATION TO ISRAEL

Since mid-1989, 350 thousand people have immigrated to Israel. It is forecasted that by 1994–95, a total of one million people will have arrived. This forecast depends upon the economic and political developments in the Soviet Union, and on Israel's success in absorbing the immigrants. These immigrants are highly educated, with predominant representation of the natural sciences and technological professions. Approximately 75 percent of the immigrants are of working age, and their labor force participation is relatively high at 60 percent. Among the Soviet immigrants, approximately 25 percent are engineers and architects, 15 percent are technicians and 6 percent are physicians. Israel is sparing no effort or resources in vocational training and adaption of the immigrants, and in the structural readjustment of the economy, to facilitate the absorption of the immigrants. We recognize that this influx of people is both a challenge and an opportunity for the Israeli economy and society.

II. ISRAEL'S MACROECONOMIC OBJECTIVES

Between the years 1990 and 1996, Israel's population and its civilian labor force are expected to increase by one-third. It is projected that the new labor force, combined with complimentary capital investment, will rise to a growth rate of about 8 percent per annum in Israel's private-enterprise business sector. Initially, this growth will be led by a substantial expansion of domestic demand stemming from increased domestic investment. An accelerated expansion of exports will follow, at an annual rate of 9–10 percent per annum (in constant US$).

Increased investment, in particular in infrastructure, is essential to establish the business environment and climate of opportunity necessary to attract the private business initiatives that are required to create new jobs on the requisite scale. Total nonresidential investment in the years 1992–96 is projected to be approximately US$ 70 billion. Residential investment in Israel is undergoing dramatic changes, with the level of new housing starts having quadrupled between the years 1989 and 1991.

Israel's economic stabilization program launched in 1985 was far reaching and comprehensive and extremely successful. Price stability was achieved, with the rate of inflation reduced dramatically. Exports of goods and services grew from US$ 11.2 billion in 1985 to US$ 19 billion in 1990, entailing an average rate of approximately 11 percent per year. The ratio of foreign debt to GDP was reduced from 80 percent in 1985 to 30 percent in 1990.

A principal achievement of the structural reform program, initiated in 1985, has been the reduction of the budget deficit from 11 percent of the GDP in the first half of the 1980's to a balanced budget in the second half of the 1980's. This reflects the government's strict budgetary discipline and its strong commitment to responsible economic management. Legislation has been adopted that prohibits the printing of money as a means of financing budget deficits.

The economy of Israel is very open. The pivotal role of international trade is demonstrated by the ratio of foreign trade to the value of output of the business sector, which is approximately 90 percent. The investment necessary to cope with the immigration will require large-scale imports. These imports include investment goods, such as machinery and equipment, as well as raw materials. The necessary increase in investment in the coming years is exceptionally high, and domestic savings cannot meet all of the requisite needs. It is estimated that, as a consequence, approximately US$ 20–25 billion of additional capital will need to be raised abroad in the years 1992–1996 in order to finance the increased volume of imports. Credit guarantees are being requested for US$ 10 billion out of this sum of US$ 20–25 billion. However, even with the sizable investments forecasted, unemployment will rise above its present level of about 10–11 percent.

The forecast is that the GDP will grow (in constant US$) from 51 billion in 1990 to approximately US$ 75–80 billion in 1995–1996. The percentage rates of change of some economic indicators are estimated as follows:

	1991	1992	1993	1994	1995
GDP	5.9	7.0	7.4	8.0	7.3
Exports	3.7	7.5	8.0	9.4	9.5
Labor Force	5.3	6.6	6.5	6.1	4.7

The economic measures designed to attain these growth rates include a governmental decision to legislate the reduction deficit in accordance with the multi-year budget; accelerating the privatization process; further deregulation of the capital and labor markets; and gradual implementation of comprehensive foreign trade liberalization.

The adoption and implementation of these measures will increase the international competitiveness of the Israeli economy and enhance the prospects for continuing export-led growth. The share of the public sector in the economy will be reduced, and the flexibility of the labor market increased, while at the same time, the quest for macroeconomic stability will be maintained.

III. STRUCTURAL REFORMS IN THE ISRAELI ECONOMY

The economy of Israel has in recent years been undergoing substantial adjustment that places increased emphasis on the role of free-market allocation mechanisms. To enhance the capability of the private business sector to grow at the rate necessary for absorption of the immigrants, the government of Israel is committed to continue the full implementation of the reforms undertaken since 1985.

In particular, the Government is fully committed to accelerate and intensify the privatization process. To this end, the Government instituted in July 1991 a three-member committee of Ministers, chaired by the Prime Minister, that is to approve the sale of Government corporations without granting veto power to the Minister under whose auspices an enterprise falls. Major government-owned corporations for privatization procedures have been initiated or are pending include Israel Chemicals, Bezeq Telecommunications Company, Industrial Buildings Company, Shekem-Military Canteen Services. Controlling interests in the commercial banks, along with their non-banking subsidiaries, are also in the process of sale to private owners.

Comprehensive reforms in Foreign Exchange regulations on the capital movements are in the process of formulation. The changes in the foreign exchange regulations will permit domestic residents to undertake financial investments and domestic corporations will have increased flexibility in foreign direct investment. Foreign investors will have non-restricted access to the Israeli financial and capital markets. In the area of trade liberalization, the Government is committed to exposure of the economy to foreign competition. This is facilitated by the adherence to the Free Trade Agreements that have been entered into with the United States and the European Economic Community. The Government also initiated on September 1, 1991, a program of elimination of non-tariff barriers on imports from Third World Countries that are not encompassed by these free trade Agreements.

With respect to the domestic capital market, the Government has in recent years consistently retreated from prior status privileged market access and has borrowed in the local capital market under competitive conditions. There has also been a substantial reduction in reliance on government intermediation in capital market access, and a corresponding increase in free market financial activity.

IV. THE BUDGET

A three year budget framework has been prepared for the years 1992–1994. This new budget mechanism was drafted with a view toward enabling long-term planning of the Government's various objectives and sending a signal to the business sector in Israel and abroad regarding macroeconomic trends to be expected in Israel over the next few years. The budget deficit will be reduced gradually to 2 percent by the end of 1994. However, in 1992, a deficit of 6.2 percent of GDP is inevitable primarily due to the necessity of financing the aforementioned absorption expenditures, since outlays precede the increase in GDP and tax income. The allocation of Government expenditures and budget deficit over the next three years is projected as follows (in percentages):

	1991	1992	1993	1994
Total budget	100.0	100.0	100.0	100.0
Absorption	16.1	18.8	17.5	18.2
Defense	20.3	19.7	19.2	19.2
Education and health	11.7	11.0	11.3	11.2
Infrastructure investment	9.3	9.5	5.0	3.7
Total debt services	15.7	16.0	16.8	17.6
Other budgetary items	26.9	25.0	30.2	30.1
Deficit/GDP ratio	6.7	6.2	3.2	2.2

In 1992, Government expenditure for immigrant absorption will amount to approximately 10.5 percent of GDP. In the following two years, these expenditures are expected to remain stable. In addition, the Government intends to increase its infrastructure investments by approximately 40 percent in real terms. This should attract private-sector investment and facilitate the growth process required to provide employment to the immigrants.

Taxes have been raised in order to provide the additional need created by the immigrants, such as health care, nursing of the elderly and handicapped population, and education, including temporary Hebrew language courses. Value-Added Tax was raised by 2 percent, from 16 to 18 percent in 1991, and a supplementary Absorption Levy of 5 percent was imposed on income tax payments.

V. THE REQUEST FOR ASSISTANCE

Based on the above, the Government of Israel, therefore, respectfully requests that the Government of the United States assist it in raising the necessary capital over the next five years by providing guarantees for credits to be raised in the U.S. capital market in the amount of US$ 2 billion a year during the fiscal years 1992–1996. Due to the long-term nature of the task faced by Israel, an assured multi-year availability of credit is vital.

VI. UTILIZATION OF THE FUNDS

The funds will be utilized in the three main spheres as follows: (1) Investment in infrastructure, such as highways, roads, sewage, water installation, industrial parks and residential infrastructure. (2) Source funds for the commercial banks to finance investment in capital goods, machinery and equipment. (3) The balance will be utilized for mortgage financing.

1. Investment in Infrastructure

Government investment in infrastructure during the years 1992–1994 will amount to some US$ 1.7 billion, of which US$ 1.1 billion is for highways, roads and related construction; US$ 400 million is for water installations and sewage; and US$ 200 million is for industrial parks and residential infrastructure.

In addition, it is estimated that over the next five years, non-budgetary investments in infrastructure of nearly US$ 7 billion will be carried out as follows: approximately US$ 3.5 billion will be for electricity generation, US$ 2.5 billion will be for expansion of telecommunications facilities and a further US$ 700 million will be invested in a peripheral railway system for the Gush Dan-Tel Aviv Metropolitan area.

2. Promoting Investment by the Business Sector (Creation of New Jobs)

The Government has allocated ample amounts to create the necessary business environment to encourage private enterprise and to establish new businesses and to expand existing plants. To this end, the government has budgeted, annually, approximately US$ 400 million in grant capital and US$ 250 million for research and development enterprises under the Encouragement of Capital Investment Law. The above measure will undoubtedly have the effect of creating new employment opportunities.

3. Provision of Mortgages and Housing for Immigrants

The Government has budgeted US$ 8.5 billion for the years 1991–1994 for long-term mortgages to be funded via the commercial and mortgage-banking system. These mortgages are funded at current market rates of interest.

VII. ISRAEL'S EXEMPLARY RECORD AS A BORROWER AND ABILITY TO REPAY

Since its establishment, Israel has honored its foreign and domestic commitments, consistently servicing both the principal and interest on its debts in a timely fashion and to the fullest extent of the terms thereof. Moreover, since the middle of the last decade, Israel's foreign debt situation has continually improved. Foreign debt, as a proportion of GDP, fluctuated between 65 and 80 percent in the mid-1980's.

Since then, it has declined steadily, reaching 31 percent of GDP in 1990. We view the decline as a favorable starting point for raising capital in the future, which will lead to increased investment and accelerated economic growth.

Even based upon highly conservative assumptions that the additional capital required will be financed solely from foreign credits and that there will be no significant increase in unilateral transfers and direct investments, it is estimated that by 1996 the ratio of net foreign debt to GDP will be below 47 percent.

In 1988–1990 the debt service/exports ratio was between 18–22 percent. Assuming that exports increase as estimated and that foreign debts rise to US$ 35 billion, the debt service/exports ratio should remain at a level of 20–23 percent, another indicator which clearly determines that Israel can continue to service its foreign debt in a timely manner. Applying the more positive assumptions that direct foreign investments and unilateral transfers will significantly increase, the debt ratio will be much lower.

The rapid growth of the Israeli economy will generate the funds required to finance the repayment of these credits. It is imperative, however, that the loans include a grace period with respect to the payment of principal which would allow ample time for such economic growth to materialize. We are certain of the Israeli economy's ability to repay principal and interest so that no cost accrues to the American taxpayer.

VIII. THE POLITICAL UNDERSTANDING

As stated, our policy and understanding with the United States Government is that the utilization of funds shall be restricted to the geographic areas which were subject to the Government of Israel's administration prior to June 5, 1967. Furthermore, the Government of Israel's administration will not direct the Soviet Jewish immigrants to these territories, in accordance with its declared policy.

IX. U.S.–ISRAEL TRADE RELATIONS

During the next five years, aggregate imports are expected to increase to approximately US$ 173 billion in current prices. On the basis of past precedent, the source of at least US$ 30 billion of these imports will be from the United States, consisting primarily of capital goods and raw materials.

As a result of the need to provide housing for the increased immigration, approximately US$ 85 million worth of homes and mobile homes have been imported from the United States, totaling 68 percent of such imports. Imports from the U.S. are consistently increasing, from US$ 2.4 billion in 1989 prior to the immigration, to US$ 3.5 billion at the end of 1991.

We are deeply grateful to the people of the United States of America for their long and committed friendship to the people and the Government of Israel. The value of continued American assistance is immeasurable, it extends well beyond financial magnitudes, and continually strengthens the bond between our two countries based upon the democratic values which we share.

ANNEX

The following outlines some of the economic reforms which have been introduced in Israel during the last few years.

A. *Capital Market Reform:* Until the mid-1980's, the capital market was dominated by the Government for the purpose of financing the budget deficit. Since then, steps have been taken to reduce drastically the Government's involvement in the price of capital and its allocation. As a result, real long-term interest rates have declined substantially to levels prevalent on international markets, from 12–13 percent in 1985 to 4–5 percent in 1990.

B. *Foreign Exchange Controls:* Reform in this area has been implemented since 1987, leading, in the near future, to an almost total and comprehensive liberalization and freeing of capital movements to and from Israel.

C. *Subsidies:* As a part of the measures to balance the budget and to rely on market prices as an efficient mechanism of allocation, virtually all consumer subsidies have been eliminated. The only remaining staple subsidy is on public transportation.

D. *Privatization:* Privatization is being undertaken in two stages with a view to preparing the various corporations and government authorities for successful privatization:

1. Corporations which were wholly owned by the government and partially sold either to private investors or on the Stock Exchange, are being further diluted or entirely sold. Examples are Bezeq Telecommunications, Paz Oil and Industrial Buildings Ltd.

2. Corporations fully owned by the Government are being privatized initially, via the Tel Aviv Stock Exchange, Israel Chemicals, being one example.

E. *Taxation:* To encourage investments, corporate tax rates were reduced to be lower than the prevailing rates in other industrialized countries, while the Value-Added Tax was simultaneously increased. In 1990, various tax exemptions, including those for medical expenses, meals and gifts to employees were canceled.

F. *Labor Market:* Israel recognizes the increasing importance rendering the labor market more flexible. An important step in this direction was the abolishment of the government monopoly of the official labor exchanges and the granting of a general permit for private sector firms to engage in labor mediation. The linkage between the wage scales in the public service and the public sector business corporations has also been reduced.

G. *Other Deregulation Measures:* Land is no longer sold by the Israel Land Administration on a "minimum price basis," but on the open market. Immigration facilities are no longer directly under government auspices, the market provides rental housing, and mortgages are financed at market prices primarily by the commercial bank, with the State budget now supporting only the weaker echelons. The Government is withdrawing from foreign trade activities such as certain imports; the fuel industry has undergone its first stages of liberalization and the Citrus Production and Marketing Board have been abolished.

ISRAEL: A MISUNDERSTOOD CREDIT

(By John F.H. Purcell, Jeffrey A. Kaufman, Joyce Chang, Dirk W. Damrau)

INTRODUCTION

We believe that the State of Israel is considerably higher in credit quality than generally is understood. The country often is placed in a developing country credit category while, in our opinion, it should be compared with the industrialized democracies. Israel is similar to the OECD countries in many substantive ways. Appendices A and B provide some comparisons between Israel and other countries on a number of macroeconomic and debt indicators. Its population of 4.8 million is productive and prosperous as witnessed by 1990's per capita gross domestic product (GDP) of $10,700; this level is slightly below those of the United Kingdom and Australia, on a par with that of New Zealand and above those of Spain, Portugal and Ireland (see Figure 1). GDP of $50 billion makes Israel equivalent to New Zealand, Portugal and Ireland.

[Figure 1 not reproducible in the RECORD]

Israel's economy is industrialized and diversified. As in other developed countries, services make up the largest portion of GDP (53%), while manufacturing and construction account for another 40%. Agriculture, the mainstay of most developing economies, contributes only the remaining 7%. The composition of Israel's trade also indicates an advanced economy; exports primarily are made up of manufactured goods, while imports are mostly comprised of raw materials.

Social indicators further illustrate the developed nature of Israel. Life expectancy in 1987 of 75.4 years essentially was the same as in the United States (75.4 years), the United Kingdom (75.2 years) and Australia (76.1 years). In addition, Israelis are well educated. Secondary school enrollment of 83% in 1986 was equivalent to that of the United Kingdom, and 8% of all Israelis have a university degree.

Israel's sovereign credit quality has improved significantly over the past six years. The government has not only shown the political will to implement tough macroeconomic policies when faced with economic challenges, but it also has demonstrated a commitment to structural reforms that should boost the economy's performance significantly. Threats to Israel's security, although still a very important consideration, have diminished considerably. Finally, the most important quantitative measures of creditworthiness point to an improvement in Israel's creditworthiness and, indeed, indicate that the country is comparable to medium-investment-grade-rated sovereign issuers.

We believe that Israel is currently underrated by Standard and Poor's, the only major rating agency that has rated Israel's sovereign debt. The agency affirmed its implied BBB-rating in June 1989. The report stated that geopolitical risks were the primary reasons for the low investment-grade rating. However, since these geopolitical risks have moderated considerably (as we will show later in the report) and may deminish even more significantly if the peace process goes forward, we expect S&P's next review to be more favorable. In our opinion, an upgrade to the single-A category would be appropriate, although we do not necessarily expect such a large jump all at once.

We take into account the substantial challenges faced by the Israeli economy. The following issues have been raised by several analysts and are discussed throughout this report:

(1) Because Israel suffered large budget deficits and a brief experience with hyperinflation during the mid-1980s, some observers view the country as a potentially volatile and unreliable credit in the mold of Latin American countries during the 1970s and early 1980s.

(2) Government involvement in the Israeli economy historically has been fairly high. Furthermore, "structural rigidities" in the labor market often are cited as restricting the growth and adaptability of the private sector and the economy as a whole.

(3) The large-scale immigration of Russian Jews to Isreal will pressure the country's balance of payments and force the external debt well above existing levels.

(4) Related to the third issue is the concern that the immigrants will not be absorbed smoothly into the Israeli economy. Unemployment, already high, may rise to extremely high levels, resulting in stagnation and emigration.

(5) The most often cited geopolitical risks facing Israel include arms races, or possibly war with neighboring states or a break in friendly relations with the United States, which would lead to a cut-off or severe reduction of the large amounts of U.S. aid and loans to Israel.

These issues continue to be of serious concern. However, many analysts have focused only on the risks and have ignored the positive aspects toward improved credit quality. Indeed, some analysts have developed projections based on assumptions that are the opposite of recent trends. While these issues remain relevant, we do not believe that Israel's debt warrants a rating below the single-A category.

MACROECONOMIC MANAGEMENT

The government's management of the economic crisis of the mid-1980s confirmed Israel's ability and willingness to make necessary adjustments and sacrifices. Faced with an unmanageable budget deficit and high inflation, the government implemented policies that eliminated both problems while maintaining real growth in exports and in the economy as a whole. Figure 2 shows that Israel's inflation rate has been relatively moderate during the latter part of the 1980s. We believe that the late 1980s should be viewed as a period that highlighted Israel's fundamental creditworthiness, rather than as a period typical of a volatile economy. This is based on our strong contention that sovereign creditworthiness is best judged by the will of the political system to make adjustments following a crisis or shock, whether internally or externally generated.

[Figure 2 not reproducible in the RECORD.]

Israeli economic history typically is divided into two broad periods: 1948–72 and 1973–85. The first 25 years of nationhood were characterized by intense concern with national security and heavy immigration. Out of necessity, the government played a very large role in coordinating responses to these national imperatives. However, government involvement in organizing the economy and allocating capital did not significantly impede growth: Real growth in GNP averaged 9%, while per capita GDP grew at a 5% average rate between 1948–72.

The 1973 Yom Kippur War was a turning point in the nation's economic development. The increased emphasis on defense expenditures, steadily higher private and government consumption spending and the oil shocks limited the economy's previous dynamism. Real GNP growth between 1973–82 nevertheless average 3.2 percent per annum, although per capita GNP growth slowed to 0.8% per annum. While this period usually is considered "stagnant" in Israel's economy, the real GDP growth rate exceeded the 2.56% figure for the OECD countries. Inflation rates, however, rose steadily in the late 1970s and early 1980s, culminating in hyperinflation in 1984 and the first half of 1985.

The 1985 Economic Stabilization Plan demonstrated the determination and cohesiveness of the Israeli political system when faced with a crisis. Despite significant political differences, the Likud and Labour parties were able to come together into a National Unity government that implemented a complete and consistent economic plan:

The government deficit (12% of GNP in 1984) was cut by $2.25 billion in 1985 through a $750-million reduction in subsidies, $750-million emergency aid package from the United States. The budget actually showed a slight surplus in 1986, helped by another $750 million in U.S. aid.

Real wages were cut by limiting cost of living adjustments and tying future growth to levels below the exchange rate devaluations. These wage concessions originally were ordered by decree but subsequently were agreed to by the federation of labor unions (Histadrut).

Controls were effectively imposed, limiting certain price increases to 17%.

The shekel was devalued 18.8%, then allowed to fluctuate within 2% of US$=IS1,500.

The 1985 Stabilization Plan, aided by a drop in the price of oil imports, permitted the economy to regain its equilibrium. Inflation has remained in the 16%–21% range since 1986. Real GDP growth surged to over 5% in 1986–87, but slowed as a result of the Intifada in 1988–89 and has rebounded to 4.6% in 1990 despite the Gulf Crisis.

FIGURE 3.—THE ISRAELI ECONOMY—MACROECONOMIC INDICATORS, 1985–90

	1985	1986	1987	1988	1989	1990E
Real GDP growth (percent)	3.8	3.7	5.5	2.1	1.3	4.6
Inflation (annual average)	336	19.7	16.1	16.4	20.7	17.1
Public sector deficit (pct. of GDP)	−1.1	−3.4	−0.1	1.8	6.1	NA
Current account (US$ billion)	1.1	1.6	−0.9	−0.6	1.2	0.1

NA—Not available.

The 1985 Stabilization Plan created the impetus for the Israeli government to undertake a number of positive structural reforms. These reforms demonstrate a commitment to deregulation and promotion of the private sector and contradict some observers' view that the Israeli economy is naturally socialist, hopelessly mired in structural rigidities and unlikely to change.

STRUCTURAL REFORMS

Some critics of the Israeli government's economic policies both inside and outside Israel have pointed to various rigidities in the economy, including a high level of government ownership of productive enterprises, a dense structure of subsidies and regulations that strangle entrepreneurship and retard economic growth, and severe labor market rigidities resulting from the dominant role of Histadrut (the federation of labor unions) in Israeli politics.

We believe that from a sovereign credit perspective, while many of these criticisms may be accurate they do not justify a rating in the low investment-grade category, but rather in the mid-range of investment-grade ratings. While an analysis of these rigidities does indeed suggest that the Israeli economy would be more efficient and grow faster without them, it does not follow that the current situation significantly compromises Israel's ability or willingness to pay its foreign currency-denominated debt.

In addition, much of the criticism ignores the fact that a gradual change toward freer markets, less regulation and orthodox macroeconomic policies is underway in Israel as it is in many countries around the world. A number of recent events reinforce this trend. A number of recent events reinforce this trend. Among the more important events are the following:

Income Taxation—Israel has lowered its corporate income tax rate from 61% in 1986 to 40% scheduled to take effect in 1992—a lower level than West Germany, Japan, Canada, or Italy. Individual income taxation also has been lowered from an average rate of 34% in 1984 to 20.4% currently. Lost income tax revenues were replaced with higher consumption taxes.

Industrial Subsidies and Regulation—As mentioned previously, subsidies were cut drastically during the Stabilization Plan, bringing industrial and consumer subsidies down from 11.5% to GDP in 1980 to only 4.9% in 1989. In addition, the government relinquished its responsibility for marketing, importing and pricing grain, wheat, soy, oil, and eggs; private firms now dominate these activities. The monopoly in citrus exports and a cartel of fuel distributors also were recently eliminated.

Exchange Rate Regulation—In January 1989, Israel replaced its fixed exchange rate system with one similar to the European Monetary System (EMS). The new shekel (NIS) is permitted to fluctuate against a basket of currencies within 5% of a midpoint rate that has been readjusted every six to eight months. Effectively, the change diminishes the central bank's involvement in the foreign currency market and lets market forces determine rates within a band. The rationale is to limit the speculative cycles that caused sharp capital movements under the fixed exchange rate regime.

The country's export industries will benefit from a more predictable and competitive environment under the new exchange rate mechanism. Previously, the shekel's periodic overvaluation hurt exports by decreasing Israel's international competitiveness. Furthermore, uncertainty regarding the timing and size of devaluations probably deterred foreign buyers of Israeli exports. The new system should result in significantly higher exports.

One final benefit of the new policy concerns the Israeli government's previous policy of compensating exporters for lost sales resulting from currency overvaluation. These subsidies are being eliminated, thereby helping to narrow the government's budget deficit.

Capital Markets—Relaxation of regulations has helped make the capital markets more efficient and receptive to private issuers. For example, currently 70% of government borrowings are tradeable in the secondary market, compared with only 5% in 1986, and compulsory investments in government bonds by institutional investors have been reduced. Along with a credible low-inflation policy, these capital market reforms have lowered real short-term private rates from 19.7% in 1987 to 4.9% in 1989.

Privatization—Despite widespread frustration at the slow pace of the commercial banks privatization, signs of an acceleration in the rate of privatization are appearing in other sectors. For example, several government departments are in the process of becoming companies and, therefore, saleable: They include Israel Rail, the Postal Authority, Bezek (Israeli Telecom), and the military-industrial complex.

In July 1991, the government formed a privatization committee consisting of the Prime Minister, the Minister of Finance and the Minister of Justice. The committee has the power to privatize state-owned companies without the consent of the minister responsible for the company. This step is significant since ministerial opposition to losing control of state-owned enterprises historically has stopped or slowed the privatization process.

Trade Liberalization—Israel has signed free trade agreements with both the United States (1985) and the European Economic Community (1975). Trade liberalization, therefore, primarily concern the Far East. The Government has already announced its plan to replace all non-tariff barriers with tariffs beginning in September 1991 and subsequently decrease all tariff rates linearly to zero over the next six to seven years.

We believe that these efforts, combined, represent a genuine advance which could continue toward increasing the relative role of the private sector in the economy and deregulating economic activities.

Misconceptions about the extent of government involvement and the role of Histadrut in the Israeli economy are mentioned occasionally in the press. These misconceptions need to be addressed directly.

(1) Government involvement in the economy is diminishing substantially and is not as extensive as it may appear. Government expenditures as a percentage of GDP fell from 62% in 1984 to 50% in 1988. Compared with some countries, Israel's expenditures seem large because of the particular emphasis on defense spending required by Israel's geopolitical situation. However, Israel's nonmilitary government expenditures as a percent of GDP are similar to those of many industrialized countries with high credit ratings.

FIGURE 4. THE ECONOMY—RELATIVE GOVERNMENT INVOLVEMENT, FISCAL YEAR 1988

[In percent]

	Ratings Moody's/S&P	Expenditures as percent of GDP	Defense expenditures as percent of GDP	Nonmilitary expenditures as percent of GDP
Israel	(BBB-/NR)	50.0	13.3	36.7
Australia	(Aa2/AA)	27.5	2.4	25.1
Denmark [1]	(Aa1/AA)	38.3	2.1	36.2
New Zealand	(Aa3/AA-)	44.7	2.2	42.5
Norway	(Aa1/AAA)	43.1	3.3	39.8
Portugal [1]	)A1/A)	41.9	2.4	39.5
United States	(Aaa/AAA)	23.5	5.9	17.7

[1] Fiscal year 1987 figures. NR Not rated.
Source: IMF Government Finance Statistics Yearbook, 1990.

(2) Contrary to the views of some analysts, government intervention in the 1983 commercial bank crisis and the 1989 restructuring of the Kibbutzim debt cannot be viewed as a demonstration of the uniquely high level of government intervention in Israel's economy. Rather, these interventions should be viewed as normal responses by an industrialized country to a domestic economic crisis. They were aimed at ensuring the integrity of the financial system and the agricultural sector, much the same way as the U.S. government felt Chrysler, Continental Bank, Lockheed, and the Savings & Loan industry were too important to fail.

(3) Histadrut, the federation of labor unions that owns many Israeli companies, has been weakened significantly by the events of the past few years and is likely to play a diminishing role in the economy. Some analysts view Histadrut as a quasi-governmental entity that can ensure real wage increases. In reality, Histadrut members bore the brunt of the 1985 Stabilization Plan's measures, as real wages were cut by 9.4% in 1985 before the unions conceded the cuts. During 1985–89, real wages averaged growth of only 1.1%, while labor productivity grew at a 2.7% average rate, suggesting flexibility and concessions on the part of the federation.

Furthermore, the inflow of a million Russian immigrants—and the concomitant upward pressure on unemployment—will make it politically untenable for Histadrut to demand large real wage increases and bar competing workers. It is highly likely that wage concessions will continue to be made until the immigrants are effectively absorbed into the economy.

Finally, Histadrut is increasingly having to run its companies as private enterprises and cannot count on government support if they fail to meet the test of the market. This distancing of the government from the federation of labor was demonstrated by the

lack of ready support accorded Histadrut-owned Koor Industries in 1988 when it defaulted on its debt obligations.

Certainly, Israel's private sector could benefit from additional reforms. However, some analysts have held the country to a standard of perfectly free markets that even the U.S. could not meet; Israel is not the last holdout in a world that has forsaken subsidies, state-owned postal services, company bailouts, and minimum wages. To focus on Israel's remaining structural rigidities is to miss the unambiguous trend toward deregulation and increasing the private sector's role in the economy.

THE EXTERNAL DEBT BURDEN

The state of Israel compares favorably with other investment-grade sovereign issuers based on quantitative measures of debt as they pertain to credit quality. Appendices A and B consist of a statistical comparison between Israel and several OECD and developing countries. If the analysis were based solely on these statistics, we believe that Israel would deserve a high single-A rating.

Israel's high per capita GDP compares favorably with other industrialized, double-A-rated countries with long democratic traditions, such as Spain, Ireland and New Zealand, all of which have well-diversified economies with well-educated and skilled populations. Of the single-A and triple-B-rated countries, only Iceland has a higher per capita GDP than Israel.

The level of Israel's net external debt appears small relative to some higher-rated sovereign borrowers. As figure 5 shows, Israel's net external debt as 37% of GDP in 1989 was below the comparable figures for Ireland (67%), New Zealand (49%) and Iceland (42%). Furthermore, Israel's net external debt and interest payments as a percent of exports were similar to, or below, these three countries (See Figures 6 and 7).

[Figures 5, 6 and 7 not reproducible in the RECORD.]

Several factors peculiar to Israel suggest that its sovereign credit quality is considerably higher than the ratios alone imply:

(1) Israel's net debt of approximately $16 billion is entirely intermediate and long term. Israel is a short-term creditor, making it less vulnerable to sudden external shocks. The country's history of timely payment and no defaults has established it as a long-term borrower in international credit markets, further reducing dependence on short-term credit.

(2) Related to this, the Israeli banking system is in a net surplus position with respect to the international commercial banking system. That is, the country's banks have more deposits in foreign banks than do foreign banks in those of Israel. Israel therefore is not vulnerable to the sudden withdrawals that precipitated the "debt crises" in Latin America or South Africa, for example.

(3) A greater proportion of Israel's gross debt is owed to governments (53%) than is common for other countries. A large portion of this borrowing (approximately $10 billion) is for defense purposes and is linked to joint U.S.-Israel strategic interests in the Middle East. Of the debt owed to the U.S. government, $5.5 billion was refinanced at lower interest rates in 1988 and 1989, yielding $150 million in interest savings in 1989 alone.

(4) Another large portion of Israel's net external debt (roughly $9.4 billion) consists of deposits by foreign individuals in Israeli banks. The basis of this debt is largely political support for Israel by individuals living outside the country. Therefore, during the past decade's military conflicts and economic crises, the level of these deposits has remained stable. Indeed, in the last quarter of 1990 when the threat of the Gulf war seemed imminent, deposits from foreign residents actually rose by $200 million.

Of course, trends in the ratios also give an important indication of the credit worthiness of a sovereign borrower. The government's sound fiscal and monetary management of the economy since 1986 has resulted in dramatic improvements in Israel's debt statistics (see Figure 8).

FIGURE 8.—THE ISRAELI ECONOMY—EXTERNAL DEBT MEASURES, 1986–90

	1986	1987	1988	1989	1990
Gross Debt (US $billions)	30.6	31.8	31.3	31.1	32.5
Net Debt[1] (US $billions)	18.2	18.2	18.8	16.2	15.6
Percentage of GDP	61.8	52.1	44.9	37.0	31.2
Percentage of exports	105	127	119	96	82
Debt service (US $millions)	3,868	3.912	4,280	4,097	NA
Exports (US $millions)	12,126	14,288	15,796	17,151	NA
Debt service ratio (percent)	32	27	27	24	NA
Interest payments/exports	20	16	16	15	NA

[1] Net debt consists of gross liabilities less commercial bank assets and reserves. NA Not available.
Source: Bank of Israel, Central Bureau of Statistics.

Net debt figures (rather than gross debt) were used for calculating ratios since they better reflect the nature of Israel's exposure to currency movements. Bank of Israel policy has required that foreigners' deposits be used to fund foreign credits; this policy, instituted to limit domestic money creation, effectively eliminates any foreign exchange risk for the liabilities, since foreign assets are funded from foreign liabilities. Unlike some developing countries, Israel's commercial bank foreign assets and reserves are not of dubious quantity or quality.

Most analysts are not concerned with Israel's ability to service its existing debt; current debt levels clearly are manageable. Worries arise, however, over the expected increase in debt associated with the anticipated mass immigration of Russian Jews through 1995. The following section deals with the credit implications of the immigration issue.

EFFECT OF IMMIGRATION

The major challenge facing the Israeli economy in the next five years will be the absorption of approximately one million Russian Jews. The comparable feat for the U.S. economy would be assimilating a country the size of France. There most definitely will be a rise in Israel's external debt, but the country will also be gaining some valuable assets, as well. We feel that the net effect of the immigration on the economy will be positive, leading to higher productivity and per capita income. Even in a worst case scenario, Israel should remain an investment-grade borrower, since there are several factors that would limit or mitigate serious deterioration in credit quality.

The government's stated role in the absorption is to leave as much as possible to the private sector. The government gives an absorption grant to each immigrant, and public services (education and health) also must be provided. However, the provision of housing and jobs is being relegated to private companies, not to the public sector. The main thrust of policy, therefore, is toward boosting business profitability—through lower real wages and payroll taxes—to create more jobs.

Nearly 200,000 immigrants arrived in 1990, providing a hint of the composition of the newcomers. In general, the immigrants are better-educated than Israeli residents: 41% have university degrees compared with 8% for existing residents. The occupations of these immigrants suggest the sizeable import of human capital that accompanies their arrival (see Figure 9).

FIGURE 9—ISRAELI OCCUPATIONAL DISTRIBUTION, 1989

[In percent]

	Established Residents	Immigrants
Professional	8.3	40.8
Technical and related	20.9	34.6
Other	70.8	24.6
Total	100	100

To the extent that the immigrants can find jobs suited for their existing skills, the Israeli economy will benefit from sharp increases in per capita GDP. Furthermore, the heavy concentration of engineers and technicians likely will boost the competitiveness of Israel's export industries.

In the short term, the absorption will cause a fairly significant current account deficit (perhaps 11% of GDP). There is a timing mismatch between the immigrants' immediate needs for housing, food and public services and their medium-term productivity. Essentially, Israel's government is investing in the immigrants, which will pay off once these highly educated and skilled people find or create their own jobs. The government has shown, by its adoption of a three-year budget, that it understands the timing of the cash flows involved.

Some analyses of Israel's credit, however, do not factor in the benefits of the immigration and have focused solely on the costs. They understandably have assumed an increase in the external debt of Israel but have made no offsetting increases in GDP growth or exports. The process of large-scale absorption does require foreign borrowings but will result in markedly higher GDP and exports. For example, between 1968–72, Israel's population grew by 16%, real GDP climbed by 69% (11% annual average) and real exports jumped by 207% (16% annual average). Considering the skilled nature of the new immigrants, it is not unreasonable to anticipate similar explosive growth during the coming period of immigration.

Our base case scenario for the Israeli economy, however, conservatively assumes economic results below those of the dynamic 1968–72 period. Real GDP growth is expected

to average 5.6% over the next five years, while exports are projected to grow by an average of 8.6% annually.

FIGURE 10.—THE ISRAELI ECONOMY—BASE CASE PROJECTIONS, 1990–2000

	1990	1991	1992	1993	1994	1995	2000
GDP ($billions)	50.1	55.9	62.8	69.9	77.0	84.1	124.4
Net Debt ($billion)	15.6	18.0	22.9	29.9	36.0	40.0	40.0
Debt/GDP (percent)	31	32	37	44	47	48	32
Debt/exports (percent)	82	90	106	126	138	139	86

A conservative base case scenario for Israel's balance of payments shows that the country should be able to service its external debt comfortably over the next decade. Net external debt is projected to peak in 1995 at $40 billion, approximately $25 billion above current levels. Debt as a percentage of GDP should reach 48% in 1995; however, this level is still below the 1989 figures for double-A-rated New Zealand (49%) and Ireland (67%). Debt as a percentage of exports is projected to rise to 139% in 1995, also below 1989 levels for New Zealand (175%), Australia (169%) and Turkey (145%).

The absorption process most likely will be completed within the next five years, while the return on Israel's investment in its immigrants is expected to occur from 1995 through 2000. In that period, no additional external financing will be required, since domestic savings will be sufficient to finance required investment. In real terms and relative to GDP and exports, Israel's external debt burden should decrease. By 2000, debt as a percentage of GDP is projected to fall to 41% and debt as a percentage of exports is anticipated to decrease to 86%.

In three years, the Israeli economy will be at an important juncture. The inflow of immigrants will be dwindling, and most of the government expenditures on absorption will have been made. The economy will have to shift from explosive growth in the construction and basic necessities industries toward export industries that can help pay down the debt accumulated for absorption. The structural reforms should permit the private sector to adjust to the shifting demand, and the government likely will end its housing guarantee programs, further signaling the need to shift resources away from construction.

A worst case scenario, as suggested by some of the more pessimistic analyses of Israel, takes the following form: Israel in 1993 has incurred a great deal of external debt in meeting the immediate needs of the immigrants. The labor market, however, has remained totally inflexible, driving unemployment up near 20%. Immigrant frustration at the lack of any employment—let alone suitable employment—leads to large-scale emigration to other countries. Thus, all the costs and none of the benefits of absorption are accrued to Israel; the increased debt burden essentially rests on the pre-existing population.

There are significant factors that preclude this situation from being a reasonable worst case scenario:

(1) If the economic growth does not accelerate with the infusion of immigrants, fewer Russians probably will decide to move to Israel or they will arrive over a longer period of time. High unemployment could mean well below one million immigrants in the next five years, less government expenditures on their absorption and, accordingly, less foreign debt. Indeed, Israeli officials have reduced their estimates for 1991 immigration from the Soviet Union to 225,000 from 300,000. The reduction most likely is the result of the high unemployment rate and a new Soviet law requiring emigrants to obtain passports prior to emigration.

(2) There is a link between the accumulation of foreign debt and productive investment in the economy; in many cases, the debt will only accumulate if the business sector is investing. That is, private external debt will increase only if the economy is performing well and providing the immigrants with jobs. After the 1982 debt crisis, commercial banks, export credit agencies and suppliers became more conscious of the use of their credits and wary of financing consumption rather than investment.

(3) The response of the Israeli political system and the population at large has always been determined and cohesive when faced with a crisis, whether military or economic, which permits the Israelis to make sacrifices, yet maintain productivity; during the Economic Stabilization Plan of 1985 and 1986, for example, the economy actually sustained real growth rates of 3.8 percent and 3.7 percent, respectively. All historical evidence suggests that Israel can be expected to react effectively—through decreased government spending and real wage cuts—as circumstances dictate.

(4) Support from Jews not in Israel also would cushion adverse developments in the absorption program. The United Jewish Appeal already has committed to pay the costs of transporting Russian Jews to Israel and is considering whether to give loan guarantees to banks making loans to immigrants. Any absorption costs taken on by foreigners, of course, decrease the debt burden on Israel.

Figure 11 contains projections for a reasonable worst case scenario, incorporating the above factors. Real GDP growth is assumed to average 4 percent over the next five years, while exports are projected to grow by 6.5 percent. Net debt is assumed to rise exactly as in the base case through 1993, but then level off at $36 billion rather than $40 billion.

FIGURE 11.—THE ISRAELI ECONOMY—WORST CASE PROJECTIONS, 1990–2000

	1990	1991	1992	1993	1994	1995	2000
GDP ($billions)	50.1	55.3	61.6	67.3	72.7	77.9	109.8
Net Debt ($billion)	15.6	18.0	22.9	29.9	34.0	36.0	36.0
Debt/GDP (percent)	31	33	37	44	47	46	33
Debt/exports	82	90	108	132	140	139	99

Although there is some deterioration in the debt ratios compared with the base case, Israel's economy in a worst case scenario could still comfortably manage its external debt. Debt as a percentage of GDP and exports peaks in 1994 and remains below the comparable figures for double-A-rated New Zealand in 1989. As in the base case, debt ratios in the worst case scenario improve between 1995–2000, but to a lesser extent.

THE GEOPOLITICAL SITUATION

The external and internal security threats facing Israel have diminished substantially over the past few years. Not only has the probability of armed conflict decreased, but also its associated economic burden on the economy can be expected to fall gradually (mainly as a result of the collapse of Soviet communism and the defeat of Iraq). Furthermore, the economic and diplomatic isolation of Israel from several potential trading partners appears to be ending. The geopolitical risks cited by Standard and Poor's in 1989 as the primary basis for Israel's low investment-grade rating need to be reconsidered, as do their adverse effects on the Israeli economy. Some analysts remain focused on the continuing geopolitical risks, stressing that they have not been eliminated. Such views, however, fail to account for the remarkable developments in the Middle East, the Soviet Union and elsewhere:

(1) The Gulf war clearly improved Israel's security and strengthened the U.S.-Israeli strategic alliance. Not only was the Iraqi military eliminated as a viable threat to Israel, but also Israel faced the same enemy as Saudi Arabia, Egypt, Syria, and other Arab states, laying the foundation for regional peace negotiations. If the peace process moves forward, it is highly likely that arms limitation agreements will be negotiated, reducing Israel's defense in the medium term.

If the peace process breaks down and the Middle East remains unstable, Israel's role as a U.S. ally will be enhanced. Israeli expertise in intelligence-gathering in the region, as well as in research and development of weapons, will ensure continued strategic cooperation. In addition, Israel's "friendly ports" for U.S. ships are becoming increasingly important, as bases in the Far East and the Mediterranean Sea are less welcoming to a U.S. presence. Thus, in the event that the region remains unstable, U.S. cooperation with, and aid to, Israel even more likely will continue.

(2) The U.S.S.R.'s preoccupation with its own internal affairs and its retreat from military relationships with countries such as Syria and Iraq have drastically improved Israel's situation. Previously, the Soviets were active in arms transfers to these states, leading to arms races with Israel; providing training and safe havens for terrorists; isolating Israel diplomatically and pressuring the U.S. over its support for Israel; and closing East European markets to Israeli exports. The curtailment of these activities will help bring a measure of stability to the region.

The renewed peace process can be linked to diminished Soviet influence. Syria, no longer able to depend on its major patron for arms supplies, pose much less of a threat to Israel.

Indeed, we believe that Syria's willingness to participate in negotiations directly results from its realization that it must comply with the wishes of the United States, the only superpower still deeply involved in the region. It is realistic to expect, though it is not assured, that Syria will be increasingly drawn into negotiations with Israel through relations with Saudi Arabia and Egypt.

(3) The Intifada remains a threat to the internal security of Israel; however, that threat is significantly less than had been anticipated. The Palestinian Liberation Organization (PLO) lost some legitimacy and bargaining power when it supported Saddam Hussein in the Gulf War, and this has dampened Palestinian diplomatic and political weight in the upcoming negotiations. Progress in the peace talks will hinge on an acceptable solution to the Palestinian issue. Now that those talks appear imminent, the Intifada could subside (at least temporarily), as Palestinian leaders focus on diplomatic channels.

(4) Improved diplomatic relations between Israel and many foreign countries are expected to result in increased integration of the Israeli economy into world markets. For example, improved relations with the European Community recently resulted in the negotiation of EFTA-equivalent trade status for Israel. In addition, relations between Israel and Eastern Europe have improved quickly; the many East European immigrants to Israel provides a natural link between their previous and new countries. To the extent that new markets are opened to Israel, the country's economy will benefit from higher growth, exports and direct foreign investment.

A reasonable outgrowth of the peace process would be an end to the Arab boycott of the Israeli economy and non-Israeli companies doing business with Israel. Although the direct benefits to the Israeli economy of trade with the Arab countries probably would be minimal, the end of the boycott would have significant secondary effects. Companies from the United States, Western Europe and Japan could then invest in Israel without fear of being "black-listed". This is particularly applicable to Japan companies, which reportedly have been resistant to breaking the boycott.

Stability is by no means assured in the Middle East. However, the Gulf war and the curtailment of Soviet activities have resulted in genuine peace prospects, which if realized, would substantially reduce the adverse economic effects of Israel's geopolitical risks. If peace negotiations falter and the region remains polarized, then the U.S.-Israeli strategic alliance will remain important to both parties. In such a case, we believe that Israel can depend on the continued military and economic support of the United States.

CONCLUSION

To summarize our opinion concerning Israel's level of sovereign credit safety, its debt should be regarded as equivalent to that of the highest medium-grade sovereigns in terms of credit worthiness. In other words, we believe that an appropriate long-term bond rating for Israel would be a mid-to-low single A, placing Israel in the company of Malaysia, Thailand and Hong Kong and just below Korea, Portugal and Iceland. In many ways, Israel's economy is more developed than these other sovereigns. However, we have selected the power rating as appropriate to take account of both remaining geopolitical risk and existing rigidities in the economy. Therefore, we also regard the trend of an appropriate rating for Israeli debt to be positive.

APPENDIX A.—MACROECONOMIC INDICATORS, 1989

Country	Ratings Moody's/S&P	Nominal GDP (US$bn) 1989	Per capita GDP (US$) 1989	Real GDP growth [1] (percent)	Inflation [1] (percent)	Current account balance as percent of GDP [1]
Spain	Aa2/AA	$375.30	$9,601	5.23	5.60	.17
Ireland	Aa3/AA−	33.91	9,687	4.73	3.10	1.59
New Zealand	Aa3/AA−	40.60	12,192	1.00	6.67	.20
Iceland	A2/A [2]	5.20	20,800	1.00	21.77	−2.87
Korea [3]	A1/A+	211.88	4,999	9.87	6.10	6.00
Portugal	A1/A	45.31	4,624	4.87	10.70	−.34
Malaysia	A3/A	38.49	2,160	7.70	2.00	4.32
Thailand	A2/A−	69.09	1,236	11.57	4.33	−2.34
China	Baa1/NR	437.00	387	8.67	14.07	−.84
Greece	Baa1/BBB−	54.18	5,400	2.13	14.83	−3.03
Israel	NR/BBB− [2]	43.87	9,708	2.97	17.40	−.45
Hungary [4]	Ba1/NR	28.57	2,699	−.20	18.55	−4.03
India	Ba2/BB+	264.48	326	6.10	9.33	−2.78
Venezuela	Ba1/BB+	39.89	2,074	.37	52.27	−2.04
Mexico [3]	Ba2/NR	210.63	2,649	2.07	76.87	−.16
Turkey	NR/NR	80.42	1,490	4.33	66.37	.70
Indonesia	NR/NR	93.97	525	6.00	6.83	−2.03
Chile	NR/NR	25.38	1.958	6.57	18.57	−2.68
South Africa	NR/NR	88.87	2,577	2.77	14.03	3.38
Czechoslovakia [4]	NR/NR	40.49	3,226	1.50	.12	.65
Philippines	NR/NR	44.30	736	5.63	10.20	−11.87
Poland [4]	NR/NR	67.09	1,764	2.15	159.05	−1.79
Pakistan	NR/NR	40.35	377	6.37	7.00	−2.45
Colombia	NR/NR	39.45	1,221	4.23	26.07	−.28
Uruguay	NR/NR	8.42	2.722	2.63	71.83	−.04
Algeria	NR/NR	49.15	2,000	.20	6.13	−1.92
Morocco	NR/NR	22.87	945	3.37	3.20	−1.82

[1] Figures are an average of 1987–89.
[2] Implied rating.
[3] 1989 figures are an estimate of Institute of International Finance.
[4] Czechoslovakia, Hungary and Poland's figures are an average of 1988 and 1989.
NR Not rated.

Note: Inflation figures are Consumer Prices percent change end-period.

Source: Institute of International Finance, S&P, Moody's Investors Service, and Salomon Brothers Inc.

APPENDIX B. EXTERNAL DEBT MEASURES, 1989 [1]

Country	Ratings Moody's/S&P	Net External Debt [2] (US$ million)	Net External Debt/GDP (percent)	Exports [2] (US$ Million)	Net External Debt/Exports (percent)	Interest/Exports (percent)
Spain	Aa2/AA	NA	1.00	NA	6.00	5.00
Ireland	Aa3/AA-	NA	67.00	NA	92.00	[4] 5.00
New Zealand	Aa3/AA-	NA	49.00	NA	175.00	20.00
Iceland	A2/Aa	NA	42.00	NA	114.00	15.00
Korea [4]	A1/A+	$6.161	2.91	$74,297	8.29	3.66
Portugal	A1/A	−676	−1.49	21,885	−3.09	5.91
Malaysia	A3/A	6,708	17.89	28,945	23.17	5.10
Thailand	A2/A-	10,342	14.97	27,294	37.89	7.12
China	Baa1/NR	23,783	5.44	50,098	47.47	5.64
Greece	Baa1/BBB-	18,101	33.41	15,156	119.43	11.39
Israel	NR/BBB- [5]	16,244	37.03	17,151	94.71	14.57
Hungary [6]	Ba1/NR	18,628	65.20	8,587	216.93	18.69
India	Ba2/BB+	56,186	21.24	24,208	232.10	14.81
Venezuela	Ba1/BB+	23,409	58.68	15,672	149.37	23.26
Mexico [7]	Ba2/NR	87,655	41.62	36,571	239.68	25.64
Turkey	NR/NR	32,325	40.19	22,412	144.23	12.97
Indonesia	NR/NR	43,153	45.92	25,750	167.58	13.79
Chile	NR/NR	13,224	52.10	10,070	131.32	17.68
South Africa	NR/NR	17,701	19.92	26,144	67.71	6.87
Czechoslovakia [6]	NR/NR	4,214	10.41	7,284	57.85	7.22
Philippines	NR/NR	22,483	50.75	13,237	169.85	17.32
Poland [c]	NR/NR	36,111	53.82	9,956	362.71	34.84
Pakistan	NR/NR	16,895	41.87	8,430	200.42	11.65
Colombia	NR/NR	13,011	32.98	8,519	152.73	18.64

APPENDIX B. EXTERNAL DEBT MEASURES, 1989 [1]—Continued

Country	Ratings Moody's/S&P	Net External Debt [2] (US$ million)	Net External Debt/GDP (percent)	Exports [2] (US$ Million)	Net External Debt/Exports (percent)	Interest/Exports (percent)
Uruguay	NR/NR	3,428	40.71	2,206	155.39	25.02
Algeria	NR/NR	24,744	50.34	10,703	231.19	18.72
Morocco	NR/NR	21,470	93.88	6,727	319.16	23.84

[1] Figures are an average of 1987–89.
[2] Total external debt net of international reserves, including gold and financial assets held abroad by resident deposit money banks.
[3] Exports of goods, services and positive net transfers.
[4] Ireland's interest payments/Exports figure is for 1988.
[5] Implied rating.
[6] Czechoslovakia, Hungary and Poland's figures are an average of 1988 and 1989.
[7] 1989 figures are an estimate of Institute of International Finance.

NR Not rated.
Source: Institute of International Finance, S&P, Moody's Investors Service, and Salomon Brothers Inc.
NA Not available.

MEMORANDUM—THE FEDERAL CREDIT REFORM ACT OF 1990/SUBSIDY COST

The Federal Credit Reform Act of 1990 was enacted in order to measure more accurately the costs of federal loan guarantee (as well as direct loan) programs. The legislative history of this act, as well as its literal terms, make clear that the so-called "subsidy cost" of credit programs must be determined in accordance with a "cost-to-government" approach, rather than a "market-valuation" method which calculates the economic benefit borrowers receive from U.S. loan guarantees. To this end, the act and interpretative authority promulgated pursuant to it recognize that the historical performance of the borrower is the most reliable and therefore appropriate gauge by which to predict the long-term cost of a loan guarantee to the U.S. government.

By way of background, in years prior to enactment of the Federal Credit Reform Act of 1990, the Administration had advocated a credit reform proposal which measured the financial assistance to the borrower of federal credit. The "subsidy cost" of a guarantee under this proposal was "based on the premise that the value of any asset is the amount that people would pay for it in the market." Thus, "the subsidy cost of a loan guarantee would be its market value less the present value of fees received."[1] Market value may be determined by the estimated net cost to the government to reinsure the guarantee or "the present value, based on a comparable market discount rate, of the difference between the interest paid by the borrower and the interest that would be charged by a private lender for such loan."[2]

The legislative history reflects that the Administration, through OMB, advocated market-based subsidy estimates because, in its view, "they include the cost of bearing the risk that default losses will be more than expected" and there may be "a difference of unknown direction and size if the market expects changes in future loss rates compared with past experience."[3]

Congress, however, never approved the President's proposal, largely because there was disagreement over the use of the market-based method of determining subsidy costs versus the "cost-to-government" approach.[4] The GAO and the Budget Committees expressed preference for the cost-to-government approach because (i) it is "more consistent with current budgeting practices, and with the cost valuation practices followed for most other federal programs" and (ii) it would be difficult to accurately calculate a market valuation for loans without "a real credit market or set of applicable interest rates. Such persons come to the government because they cannot get commercial financing."[5]

As described in the legislative history, the cost-to-government approach calculates "the net present value of a loan guarantee. * * * by estimating the expected future default claims based on historical experience, along with any direct interest subsides, and then discounting these future cash flows by the yield on Treasury securities of similar maturity. The difference between this net present value and the present value of fees received for the loan guarantee would be the subsidy."[6] In other words, this method measures the net present value of the difference between the costs to the government of making the guarantees and the expected receipts flowing back to the government.[7]

THE CREDIT REFORM ACT EMBODIES THE PRINCIPLES OF THE COST-TO-GOVERNMENT APPROACH

The literal terms of the 1990 credit reform act as well as the conference report accompanying it clearly and unequivocally reflect the cost-to-government approach. Indeed, the law includes the same "cost-to-government" terminology described above. Specifically, the credit reform act provides that the budget costs of credit programs will be the estimated long-term costs (i.e., the "subsidy cost") to the government, calculated on a net present value basis, excluding administrative costs. (2 U.S.C. §661a(5)(A).) More specifically, the subsidy cost is the portion of the expected payments by the government that the government does not expect to be offset by collections, in present value terms. (OMB Budget Procedures Memorandum No. 770, Dec. 21, 1990, at 3.) Payments by the government include defaults, delinquencies and interest subsidies and payments to the government cover origination and other fees, penalties and revenues. (2 U.S.C. §661a(5)(C).)

THE HISTORICAL LOAN EXPERIENCE OF THE BORROWER IS THE APPROPRIATE GAUGE FOR MEASURING THE COST OF A LOAN GUARANTEE

The key word in estimating a loan guarantee's potential cost to the government is "expected"—that is, what is the government's realistic expectation of cash outflows and inflows with respect to the loan guarantee? (See President's Budget for FY 1992, Part Two-224.) An accurate assessment of the loan's expected performance can only be made on the basis of the borrower's historical experience. This principle is clearly embodied in the terms of the credit reform law. In Section 503, the OMB and CBO Directors are instructed to "coordinate the development of *more accurate data on historical performance of direct loan and loan guarantee programs.*" And, the OMB Director is required to review "*historical data* and develop the best possible estimates of adjustments that would convert aggregate budget data to credit reform accounting." (2 U.S.C. §661b(d), (e) (emphasis added).) Neither the law nor the legislative history allow for any approach to subsidy cost other than the expected cost to the U.S. Government as projected based upon this data.

The President's Budget for FY 1992 similarly recognizes the cost-to-government approach of credit reform and the importance of the borrower's historical loan experience. The Budget states that the 1992 estimates were based on "available historical experience." Specifically, these estimates "take into account characteristics of the loan or the borrower that make default more likely, and the degree to which policies or economic conditions influence that probability." The Budget further states that "[t]he actual experience—the delinquencies, repayments, and modifications—of the loans . . . must be tracked." (Part Two-224 to 225.)

Finally, OMB guidance reflects the cost-to-government approach and the central role that the borrower's historical experience plays in estimating the long-term cost of credit programs to the government in its formula for calculating subsidy costs. According to OMB, the "expected performance by borrowers" is to be based on "analysis of past statistical data, performance on equivalent loans in the private market, and/or other information." (OMB Budget Procedures Memorandum No. 770, at 3). OMB documents make clear that agencies must present statistical evidence to justify their risk analyses and that such evidence must be based on "historical analysis of program data or comparable credit data, as to likely costs—whether defaults, other deviations from contract, or other costs—that are expected to be associated with loans in that category." (OMB Circular No. A-11, revised July 12, 1991, §33.5, at 101.)

. . . the subsidy cost of credit programs[8]—yet, the agency has merged the two methodologies in its guidance—an act which flies in the face of the purposes of the 1990 act.

In conclusion, the Administration and OMB have lost the debate over whether credit reform should be based on a cost-to-government approach or a market-based method. Credit reform, as enacted, does not sanction speculative estimates of a loan guarantee's expected cost to the government, which are not based on the borrower's historical loan experience. The government's expectation must be based on available hard evidence: statistical data and accurate information on the borrower's historical loan performance. Otherwise, the act's fundamental

[1] Federal Credit Reform: Hearing Before the Task Force on Urgent Fiscal Issues of the House Committee on the Budget, 101st Cong., 2d Sess. 28 (1990) [hereinafter Task Force Hearing] (OMB submission).
[2] Message from the President: Proposed Legislation—"Federal Credit Reform Act of 1987," H.R. Doc. No. 50, 100th Cong., 1st Sess. 7 (1987).
[3] Task Force Hearing (OMB submission), at 28.
[4] See id. at 7.
[5] Id (statement of Comptroller General Charles A. Bowsher) at 47–49.
[6] Id. (OMB submission) at 28 (emphasis added).
[7] Id. (statement of Bowsher) at 48.
[8] Id. (OMB submission) at 28.

purpose—to measure more accurately the costs to the government of credit programs—would be thwarted. Thus, OMB should carry out its role—that is, to implement the law that Congress enacted—rather than attempt to advance a legislative agenda that was expressly rejected by our nation's lawmakers.

Mr. KASTEN. I yield to the distinguished Senator from Hawaii.

Mr. INOUYE. Mr. President, I am pleased to rise today, along with my colleague, Senator ROBERT KASTEN, to offer an amendment which provides for $2 billion in absorption guarantees to Israel for each of 5 years. These guarantees will enable Israel to raise the capital needed to finance the resettlement costs of over 1 million new immigrants now arriving from the Soviet Union and Ethiopia.

Mr. President, my colleague and I met with the President of the United States this morning and were asked to delay the parliamentary consideration of this amendment. We appreciate the position taken by the President in this matter, and we are, accordingly, prepared to fully discuss this matter with the President and his staff before its parliamentary consideration, we have, therefore, decided to go forward with the introduction of this proposal so that it might serve as a basis for discussion in the weeks ahead. We feel it is important that all Members of this body, as well as the administration, have the opportunity to fully review all the issues connected with the loan guarantee legislation.

In addition, my colleague and I believe it is important to move forward with this initiative because of the dire financial situation faced by the State of Israel this time.

The humanitarian plight now facing Israel is too important, the legislative calendar too short, and the events now unfolding in the Soviet Union too uncertain for us to delay this important initiative any longer. Linkage to any other issue is unacceptable and merely serves as a diversion from the urgent humanitarian problem now before us. Mr. President, these are extraordinary times—times which call for extraordinary compassion and extraordinary gestures of friendship and goodwill. Today, Senator KASTEN and I intend to make good on our Nation's longstanding pledge to some of the most aggrieved victims of Soviet tyranny.

Six American administrations, both Democrat and Republican, have pledged their support for this cause, declaring that normal relations with the Soviet Union would be impossible without free immigration. From the streets of Moscow to the wastelands of Siberia, the rallying cry: "Let my people go" has resonated in the minds of countless refuseniks for over a generation and sustained their hope that next year they would find peace in Jerusalem.

While it is clear that momentous changes have taken place in the Soviet Union these past few months, it should be clear to everyone that they are by no means irrevocable. The euphoria of the summer can turn quickly into the discontent of winter, as cold, hunger, and uncertainty grip this impoverished land.

No one knows the reversals and misfortunes of history better than the Jewish people. Even as Muscovites were celebrating their new freedom in Red Square, the Government of Azerbaijan suspended the issuance of exit visas for many of the Republic's 50,000 Jewish inhabitants.

We would all like to believe that the future for Jews remaining in the Soviet Union will be bright. But the resurgence of Russian nationalism, and its virulent strain of anti-Semitism, is cause enough for concern. Feelings of anti-Semitism run deep in the heart and history of Mother Russia and her neighboring republics. We must not foreclose the chance that many hundreds of thousands of Jews may still choose to leave for Israel despite the potential flowering of freedom.

Mr. President, it is still conceivable that the ominous cloud of totalitarianism could still descend upon the Soviet landscape, dashing our fondest hopes for change, and plunging the citizens of this great land, along with its Jewish inhabitants, into an even darker abyss. We must all guard against the day when the intoxication of revolution turns bittersweet, and chaos replaces dancing in the streets of Moscow, Leningrad, and Kiev.

Mr. President, the world which we knew just 12 months ago has undergone a profound transformation. The Iron Curtain has rusted away. The statues of Lenin and Marx are being toppled from their pedestals in cities from Riga to Vladivostok. A tired and decrepit Soviet empire has collapsed of its own ponderous weight.

What was once a closed and frightened society has emerged into the light of day, shedding their cobwebs of communism and embracing the ideals of democracy. With this transformation has come a flood of refugees, most of them Jewish refugees, who long for freedom in their national homeland, Israel.

Mr. President, what began as a struggle for the liberation of the Jewish people in the Soviet Union, now has become a struggle for their integration into Israeli society. Already, since mid-1989, 345,000 refugees have resettled in Israel with over 200,000 arriving during the last year alone. Joining this unprecedented ingathering of the Jewish people have been 25,000 Ethiopian Jews, a community which owes its survival to your personal intervention in 1985 and 1991.

Within 3 years, well over 1 million new immigrants will arrive on Israel's shores, beckoned by an ancient call and modern necessity. To put this number in its proper perspective, it is the equivalent of the entire population of France—some 55 million people—choosing to resettle in the United States by 1994.

Clearly, the major burden for absorption will have to rest upon the shoulders of Israelis. To this end, they are prepared to accept ever more severe austerity measures, including a drop in their standard of living, as the price for being able to welcome home this last great exodus of Jews from captivity.

Every Israeli knows that the increasing social cost of this immigration will demand ever greater national sacrifice. I have no doubt they are prepared to meet this economic challenge with the same grit and tenacity that they have faced challenges to their national security.

Already, Israelis have curbed their consumption, downsized their Government bureaucracy, and endured severe cutbacks to their social services. By 1992, Government expenditures for immigrant absorption are expected to reach 18.8 percent of total Government spending as compared to less than 1 percent in 1989. This is equivalent to 10.5 percent of Israel's total GNP.

The United States, for its part, should be prepared to lend what assistance it can by providing the $10 billion in absorption guarantees which the Government of Israel requires—guarantees, which I must stress, will be used by Israel solely to borrow its own funds on the world's capital markets. The United States will not be adding to its budget deficit if these loans are made available, nor will other foreign aid programs suffer as a result.

In addition, the legislation which Senator KASTEN and I are proposing is crafted so that the fees on the loan guarantees are equal to the subsidy cost—a fact that will obviate any need for a budget outlay.

The American public should labor under no misconceptions. This is not grant aid to Israel. There is no free lunch. Israel is not asking for a handout, but for an outstretched hand, a hand of friendship, reassurance and confidence. Nothing could be more firmly imbedded in the American tradition of neighbor helping neighbor. No gesture could better exemplify the humanitarian impulse which guides American foreign policy than assistance in this great process of absorption.

What is being proposed today is merely a Government vote of confidence in a dear friend and a trusted ally—a friend which has never defaulted on any U.S. loan, and a friend which will use a large portion of these resources to purchase goods and services from the United States. Though Israel will benefit from our help, numerous jobs also will be created in the United States—improving our trade balance and assisting in our economic recovery. Of this I am sure.

A strong, self-confident, prosperous Israel poses little risk of default. It is a solid investment. Israel is a country which has remained true to its fiduciary responsibilities despite hardships unimaginable to most Americans. Americans have no reason to doubt that Israel will honor its debts. Israel has never defaulted on any loan extended by the United States—a perfect record of repayment matched only by Norway.

As one who has served the American people in Congress for over 30 years, I know that the frontier spirit of neighbor helping neighbor is alive and well. Americans never forsake a fellow in need and they will not do so today.

Mr. president, colleagues, it is my hope that you will give this proposal your strongest endorsement.

RECESS UNTIL 9 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 9 a.m., September 11.

Thereupon, the Senate, at 7:06 p.m., recessed until Wednesday, September 11, 1991, at 9 a.m.