HOUSE OF REPRESENTATIVES—*Tuesday, September 17, 1991*

The House met at 9 a.m.

The Chaplain, the Reverend James David Ford, D.D., offered the following prayer:

Gracious God, as the times change and we hope for a more secure world, we remember all those who yet are in danger or know any peril of conflict. We specially remember the hostages of many nations who do not experience the freedoms that we celebrate each day. O loving God, we pray that the hearts of the captors will be moved so that those separated from their families and friends will be released and enmity and suspicions will be put aside. May Your peace, O God, that passes all understanding, be with each person with any need so we will all live in harmony and respect, one with another. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from North Carolina [Mr. TAYLOR] please come forward and lead the House in the Pledge of Allegiance?

Mr. TAYLOR of North Carolina led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3291. 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.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S.J. Res. 170. Joint resolution designating September 20, 1991, as "National POW/MIA Recognition Day," and authorizing the display of the National League of Families POW/MIA flag on flagstaffs at certain Federal facilities.

APPOINTMENT AS MEMBERS OF U.S. GROUP OF NORTH ATLANTIC ASSEMBLY

The SPEAKER. Pursuant to the provisions of 22 U.S.C. 1928a, the Chair appoints as members of the U.S. group of the North Atlantic Assembly the following Members on the part of the House: Mr. FASCELL of Florida, Chairman; and Mr. ROSE of North Carolina, Vice Chairman.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will receive 1-minute requests from 10 Members on each side.

PASSIVE LOSS CORRECTIONS

(Mr. LUKEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUKEN. Mr. Speaker, we have only a few weeks left in this session of Congress and we still have not addressed some of the most crucial issues facing this Nation.

One vital issue we must address is the failure of our financial institutions and the cost of taxpayer bailouts. We must alleviate as many of the causes of failure as we can.

I sit on the Banking Committee and I know how difficult it is for banks to stay afloat in the midst of decreasing property values and massive foreclosures. The members of the committee have worked tirelessly to draft reforms to our current system to help reduce bank failures and protect depositors. This has been a monumental task.

Another step Congress can take in alleviating the causes of bank failure is embodied in H.R. 1414, the passive loss legislation introduced by Congressmen ANDREWS and THOMAS. Under the provisions of this bill real estate professionals would be treated the same in the Tax Code as professionals in other businesses. Currently this law, which did not originate in the House, encourages owners to turn property over to lenders at the first sign of loss. Last year, banks wrote off 7.6 billion dollars' worth of property loans—with another $45 billion now classified as problem loans.

Mr. Speaker, we have been asked time and again to provide billions of dollars to the Resolution Trust Corporation so that they can continue to resolve the failed thrifts. The most recent request is for $80 billion. The RTC has told us time and again that much of its portfolio consists of real estate property. I sincerely believe that we must do all we can to keep these properties off the rolls of the Federal Government.

Mr. Speaker I urge my colleagues to support this bill and I hope that we have the opportunity to vote on it in the full House before we adjourn for the winter recess.

H.R. 3040 WILL COST JOBS; HURT SMALL BUSINESS

(Mr. IRELAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. IRELAND. Mr. Speaker, we all know what road is paved with good intentions. And while I am sure that it is well-intended, H.R. 3040—which would permanently extend unemployment insurance benefits to the tune of $7 billion over 5 years—is nothing more than asphalt for that road.

Proponents claim that these added billions don't count in the budget. But we all know that money cannot be spun out of thin air.

Eventually, it will show up—in the form of increased payroll taxes on small businesses. The increased payroll costs will translate into fewer jobs—jobs that would do much more for our Nation's unemployed than a few more weeks of Government handouts.

Mr Speaker, I say to my colleagues that H.R. 3040 will only make worse the very problem it claims to be fixing. It's bad for small business, bad for workers, bad for our Nation's unemployed, and bad for America. I urge you to vote against H.R. 3040.

Remember, it is easy to say that you are for small business. But it is how you vote that really counts.

NO BIG DEAL?

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, last summer, we sent a bill to the President asking him to extend unemployment benefits, and he decided at that time that it was no emergency, that the recession was, in the Secretary of the Treasury's words, "no big deal."

Mr. Speaker, to those who say it is no big deal I say, "Come out of your air-conditioned offices, and watch the long lines gather for jobs that are available for American workers." To those who say we have to save our

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emergencies for the Kurds and the Turks, I say, "It's time to start taking care of our home, right here in America today." And to my 118 colleagues on the other side of the aisle who joined with us last summer I say, "Stick with us today. It's even more of an emergency now than it was then. It's a big deal all right. Don't turn your backs on hard working Americans who need help. Support this legislation, support these Americans who want nothing more than the chance to work."

WATCH FIDEL

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, reports are saying that Cuban Dictator Fidel Castro is feeling—and I quote—"dismayed" by Mikhail Gorbachev's decision to pull Soviet troops out of Cuba.

Well, I am happy Mr. Castro is ready to join the ranks of the dismayed. You see, for 31 years now, freedom-loving Cuban people have been dismayed by the loss of liberty they have endured from their government.

As I speak here today, there are probably Cuban citizens risking their lives to regain their freedom, possibly floating on makeshift rafts in the perilous waters of the Florida straits to flee Fidel Castro.

Last week's announcement by Mr. Gorbachev should be good news, but it leaves new questions. Will Mr. Castro tighten his grip on the Cuban people, brutally driving his society back to previous centuries and eventually driving even more of his people to Florida's coasts? What will he do with his shabbily built nuclear reactor that lies 90 miles from south Florida? And what will Castro's next foreign affairs move be—closer ties with the Chinese hardliners in the name of military hardware?

Yes, there is reason to be encouraged by last week's announcement, but many questions remain about Fidel Castro. Now is the time for Fidel watchers to watch carefully.

□ 910

OPPOSITION TO UNEMPLOYMENT COMPENSATION LEGISLATION

(Mr. BARRETT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARRETT. Mr. Speaker, I rise in strong opposition to H.R. 3040. As one of only 45 Members of the House who voted against a similar bill, H.R. 3201, I also urge my colleagues to oppose this bill.

In the early and mid-1980's, Nebraska's economy was racked by the farm crisis and a major outmigration of our population to other States, because people saw no opportunity, and thought there weren't any jobs.

As a member of the Nebraska legislature at the time, I helped guide a controversial proposal, drafted by the Republican Governor, which called for major changes in Nebraska's tax policy, that would attract businesses and retain existing businesses.

Today, Nebraska has the lowest unemployment rate in the country at 2.3 percent, and is the biggest job producing State in the Nation—creating 35,000 jobs in the past year.

Today, Nebraska has a labor shortage, not high unemployment. I have no doubt this is due in some part to the passage of a pro-growth tax policy.

We have an opportunity to take the first step toward a pro-growth tax policy. Voting against H.R. 3040 tells Americans that we will work on a job creation bill, and not on the dogma of an unemployment preservation bill.

OUR PUBLIC TRUST CAN BE REBUILT TODAY

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, I rise to support the restoration of common sense in this country, the extension of unemployment benefits in the midst of a recession. Frankly, it is hard to believe that such a simply step would require two acts of Congress and the potential override of a Presidential veto. No wonder Americans have grown cynical about politics.

Mr. Speaker, today we can rebuild public confidence and a just society by doing what is right by putting government on the side of working Americans.

In Connecticut we are stuck in a 2-year-long recession with no end in sight; 123,000 people are unemployed, which does not include the 40,000 whose benefits have lapsed since January. These working Americans must be puzzled. They have worked for a living. Their employers made contributions to a trust fund for the kind of recession we now face.

Mr. Speaker, by what possible principle can President Bush now say no to this basic protection that most Americans just took for granted, and by what principle do people in need in Bangladesh, Kurdistan, and the Soviet Union assume a higher priority? This is a violation of the public trust, and Congress today should act to rebuild the bond between people and government.

UNEMPLOYMENT INSURANCE REFORM ACT OF 1991

(Mr. SMITH of Florida asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Florida. Mr. Speaker, during the Bush administration's first 3 years, American economic growth hit its lowest point since we began measuring the GNP back in the Truman administration. There is a loss of about $350 per person in income since January 1989 when the President was sworn in. And where has the President been?

The President had the opportunity to show his support for the extension of unemployment benefits last month. He chose instead, to refuse to declare American unemployment an emergency thereby denying millions of Americans the benefits they and their families so badly need.

Last month the unemployment rate in my home State of Florida soared to a 9-year high of 8.1 percent. With the fall of Pan Am, and Eastern Airlines, the shutdown of the Diplomat Hotel, and electronic firms closing down, it does not look as though conditions are going to better for south Floridians anytime soon.

Mr. Speaker, America's workers and their families need help. The President needs to park Air Force One, put away his golf clubs, and sign the Unemployment Insurance Reform Act we are about to pass. The 9 million Americans looking for work thanks to the Republican recession need this bill to become law and they cannot wait another month for Congress to send it to the President again.

RTC URGED TO ACCEPT FARMER MAC'S OFFER TO BUY LOANS

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, as a member of the Banking Committee, this Member is concerned that the Resolution Trust Corporation may be missing an opportunity to get the biggest return on some of its acquired assets.

In the process of closing down failed savings and loan institutions, the RTC has acquired portfolios of agricultural loans.

The Federal Agriculture Mortgage Corporation, known as Farmer Mac, approached the RTC and offered to buy the farm loans at almost 100 cents for every loan dollar. However, the RTC has not been interested and is evidently selling these loans at a price substantially less than what Farmer Mac was willing to offer the agency.

It is a shame a financial shame, that the RTC has not pursued Farmer Mac's proposal. The sales of acquired agricultural loans to Farmer Mac is potentially a win-win situation for both the RTC and Farmer Mac. By accepting Farmer Mac's bid, it seems that the RTC could recover nearly all of its

losses in acquiring the assets, and Farmer Mac will have purchased performing loans that would enhance its secondary market activities.

Absent specific operational problems with this kind of sale, this Member strongly urge the RTC to give serious and positive consideration to Farmer Mac's offer.

UNEMPLOYMENT COMPENSATION BILL NOT A GOVERNMENT HANDOUT

(Mr. WISE asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. WISE. Mr. Speaker, someone on the other side just called this bill that is coming up today to extend unemployment benefits a government handout.

A government handout? That is insulting. These are benefits to go temporarily to working Americans who have been working, who are going to work again, and they need some assistance. That is the way we should look at it.

A government handout? What disrespect you have for working Americans. Our colleagues on the other side of the aisle would offer tax cuts as their alternative, tax cuts to the wealthy and capital gains. They say, "Give us more of the same that we have had for the last 12 years." They ignore the fact that studies have just come out this week that show that under George Bush these policies have created the lowest economic gains in our gross national product of any President in our recent memory. That is right, a whopping three-tenths of 1 percent.

We say, "Thanks a lot, guys, for all your help, but no, thank you, we don't want your tax cuts. What we want to do is assist working Americans who are temporarily out of work, who ask if you can help the Kurds, if you can help Bangladesh, and if you can consider aid to the Soviet Union, why can't you help them for 13 more weeks so they can pay the mortgage, keep the kids in school, write the tuition check, and make the car payments until they get work again."

They are saying to us, "We paid taxes for many years, our employers pay taxes. We don't want a handout. We just want some decent respect. We want 13 weeks of additional benefits so we can go back to work again."

Mr. Speaker, I ask the Members to pass this bill today.

A PROPOSED REVITALIZATION OF HOUSING AND REAL ESTATE INDUSTRIES

(Mr. MACHTLEY asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. MACHTLEY. Mr. Speaker, as has been indicated, it is clearly obvious that there are segments of our economy that are very sluggish, and in fact, New England is in my opinion in a severe recession.

The housing and real estate markets are the vehicle to take us out of that recession, but unfortunately the housing and real estate markets have been designed today, with the Tax Reform Act of 1986, to be a repressed industry.

We need to change that. We need to look to the future. We need to build ourselves out of this recession. Real estate is being unfairly taxed. These properties are in my opinion, a strong factor in the enormous cost of our staggering S&L bailout program.

Mr. Speaker, there are 300 Members of Congress who have recognized this and who have in fact cosponsored H.R. 1414. I would respectfully urge the Committee on Ways and Means to give Congress a vote on this most important piece of legislation so that the real estate and housing industries can help build this country out of the current recession.

DOES AMERICA NEED A THIRD POLITICAL PARTY?

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the National Organization of Women and many American workers now believe that America needs a third major political party. In fact, there are now growing lists of Americans that call themselves Independents.

The reason is very simple. There is really not much difference between the Democrats and the Republicans. Take trade. Both parties are letting American workers get ripped off. Take foreign aid. Both parties are giving away the farm.

American workers are unemployed, and they are paying the bill.

And now we talk about unemployment? The President will declare a budget emergency for people overseas, but we as Members of Congress are going to have to pass a tax today to help the American worker. That is how bad it is, folks.

Mr. Speaker, I say, you had better take a good look at your future today because there are a lot of American people who call themselves Independents who may put Congress, both Republicans and Democrats, in unemployment lines in this country.

A PLEA FOR A MULTIPLE-USE GRAZING PROGRAM FOR THE WEST

(Mr. THOMAS of Wyoming asked and was given permission to address the House for 1 minute.)

Mr. THOMAS of Wyoming. Mr. Speaker, I want to talk a little bit about employment, too, although from a little different aspect than my associates who have been up here this morning. I want to talk about ranchers in the West.

We had a vote a little while back, and most of you who are talking about employment voted to put our ranchers out of business. We need some jobs there. Some of us may have read this morning's paper. I went over it pretty well. We are talking about grazing fees.

This legislation is in the Senate right now, and it will be back over here soon. This House passed a proposition to raise grazing fees 400 percent in the West, which will put family ranchers out of business.

One of the reasons we talked about it here in the House was to avoid overgrazing. Let me say to the Members that there is no relationship between grazing fees and overgrazing. The fees are set by the Forest Service or the BLM, and grazing is also managed by the Forest Service and the BLM, and there is no relationship between the two. As a matter of fact, there are a great many animal unit months that are not used now.

What we need to do in the West where we have resources, where the Federal Government owns 50 percent of my State, is to have shared use, multiple use. That is what we are seeking to do. We are seeking to keep grazers on the land so that wildlife is better off, so that there is water developed, and so that we have winter pasture and summer pasture.

Mr. Speaker, I would urge the Members, when this comes back from the Senate, to take another look at the West with regard to jobs and with regard to unemployment. Let us take a reasonable look at unemployment, and let us take a reasonable look at grazing fees so that we can have multiple use in the West.

UNEMPLOYMENT BENEFITS NEEDED BY MIDDLE INCOME FAMILIES

(Ms. LONG asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. LONG. Mr. Speaker, I rise in support of the unemployment benefits legislation and urge the President to agree, by signing the bill, that the needs of middle-income families are, indeed, important, and worth exempting the bill from the limitations of the budget agreement. This bill, for unemployed Americans, is certainly more important than other measures—requested by the President—which waive the budget agreement so that we can spend more on foreign aid. Before we address problems throughout the world, we must make sure that we give

the working middle income in this country fair consideration.

Our Nation now has the highest unemployment rate in 5 years. That means something to Americans. It means there is a significant problem that is economically squeezing an already pinched middle income. It means there is a problem that is affecting hundreds of thousands of workers and families. And, despite what happens to our economy in the future, assisting unemployed Americans and their families is a problem that needs attention today.

I urge support of the bill.

SUPPORT UNEMPLOYMENT INSURANCE REFORM ACT

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, later today the House will take up the bill H.R. 3040, the Unemployment Insurance Reform Act. Under the terms of the bill, up to 20 weeks of additional unemployment benefits will be granted to the long-term unemployed. Those are people who have already exhausted their 26 weeks of unemployment benefits under current law.

Unemployed people in Kentucky could qualify under the bill for up to 13 additional weeks of unemployment benefits. I hope the bill passes. It is very important.

Mr. Speaker, I also hope the Rostenkowski amendment passes, in order to make the bill not a budget buster.

Mr. Speaker, there is one element in the bill which has not received much attention, which is very important. It deals with ex-service people and reservists coming off of active duty. Obviously this aimed at people involved in Desert Storm.

Mr. Speaker, this provision would require reservists to wait not 4 weeks, but only 1 week, before qualifying for unemployment benefits; they will have had to have been on active duty not 180 days, but only 90 days to qualify; and they would receive up to 26 weeks of benefits not the 13 weeks currently provided.

Mr. Speaker, we need to take care of our returning veterans and our returning reservists. This bill does it. Let us pass H.R. 3040.

THE URGENT NEED FOR A REALISTIC NATIONAL ENERGY POLICY

(Mr. ARCHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARCHER. Mr. Speaker, U.S. producers of crude oil are increasingly spending their exploration dollars in foreign countries. Why? Because the United States continues to impose more and more costly regulations, continues to adopt counterproductive tax policy and continues to cut back on the number of areas open for exploration. That is why, for the first time in 5 years the cost of finding a barrel of oil in a foreign country is cheaper than finding a barrel of oil right here at home. It's this maze of taxes and restrictions we call our current energy policy that has handcuffed oil production and left us at the lowest level of oil production of the past 25 years.

Imported oil now accounts for over 50 percent of our domestic needs. If current trends continue, we will be importing 70 percent by the year 2000.

Since 1986 spending in the United States has grown by 8 percent while spending in foreign countries has increased by an astonishing 58 percent. It's no wonder American companies are forced to go overseas to find work. One Houston-based company now chalks up 70 percent of their business overseas and just 5 short years ago it was the other way around.

These figures demonstrate the compelling need to develop a comprehensive national energy policy. I believe we must, at a minimum, mitigate the negative effects of recent changes in the U.S. tax structure which have discouraged oil and gas investment. The U.S. petroleum industry has been one of the most heavily taxed U.S. industries throughout the 1980's, a period in which energy prices almost continuously fell. This heavy tax burden has placed domestic oil companies at a serious disadvantage in terms of competing with other industries for investment capital.

As we in the Congress continue to consider the President's national energy strategy, I urge my colleagues to consider the importance of encouraging exploration here in the United States. Let us keep the energy exploration business, jobs and dollars here at home and we will all reap the benefits.

PUT WORKERS FIRST

(Mr. OLVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OLVER. Mr. Speaker, I rise today in support of H.R. 3040, the Unemployment Benefits Extension Act.

In western Massachusetts, the recession has been long and deep, and current unemployment figures indicate a long road to recovery.

Yet the President says that the recession is over. In August he refused to spend emergency money on unemployed workers, but had no problem declaring an emergency for Kurdish refugees.

Well, Mr. President, if your benefits have run out, your kids need clothes, the bank is ready to take your house, it is an emergency—and you shouldn't have to move to Kurdistan to get help.

Extended unemployment benefits are not a handout for the lazy. They are a bridge over these tough times for people who desperately want to get back to work.

When the President refused to fund this bill, he put the needs of American workers behind the needs of other countries. Today, we can change our priorities and put American workers first.

I urge my colleagues to support extension of unemployment benefits.

GIVE UNEMPLOYED A HELPING HAND

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, why does President Bush refuse to give the unemployed a helping hand? Millions of Americans are now facing the prospect of turning to welfare while they look for another job. What is unfair about the situation is that we have billions of dollars in the unemployment trust fund, money collected for the express purpose of protecting the unemployed in a recession.

Last year President Bush said this recession would be short and shallow. Many of us crossed our fingers and hoped he was right. Now 2 million more Americans are out of work since the President made that statement. Today a total of 9 million Americans are looking for work, and more unemployed Americans have exhausted their unemployment benefits than at any time in this Nation's history in the last 40 years.

Show us a little kindness, and the gentle side of your nature, Mr. President. Support benefits for America's unemployed.

DISPENSING WITH CALL OF PRIVATE CALENDAR

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent to dispense with the call of the Private Calendar.

The SPEAKER pro tempore (Mr. MCNULTY). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

REGRET OVER GATHERING STORM BETWEEN ISRAEL AND UNITED STATES

(Mr. SCHEUER asked and was given permission to address the House for 1 minute.)

Mr. SCHEUER. Mr. Speaker, I rise to express my regret at the unfortunate train of events in the Middle East and

the gathering storm between Israel and the United States. It is unfortunate, it is unnecessary, and we ought to put it behind us.

The President certainly has the right to establish his priorities for his administration. Reasonable men and women may agree or disagree about his posture on the West Bank, but certainly he has the right to state it.

The member of the Israeli Knesset who expressed views about the President, implying anti-Semitism on his part, implying hostility toward Israel on his part, ought to be ashamed of himself. As a fellow parliamentary colleague of that gentleman, I wish to apologize for his statements, which were grossly in bad taste. They were not worthy of a parliamentarian in any democratic parliament.

Mr. Speaker, let me say I understand that the President feels strongly that the Israelis ought to change their behavior in regard to settlement of the West Bank, which he sees as an impediment to peace.

However, let me add that perhaps the President may want to think about having some jawboning with the Arab countries about aspects of their behavior that are impediments to peace.

□ 930

For example, the Arab economic boycott of Israel—this is an act of war. For example, the continuing state of war between all of the Arab States except Egypt with Israel—surely, they could move from a state of war to nonbelligerency as the Egyptians did under Sadat before the final peace. And how about the flow of venom and viciousness and hatred that emanates every day from the Arab press, radio and television. Certainly he could pressure them to cut this steady diet of hostility and misunderstanding that they feed to their people daily.

Such actions would be evidence on the part of the Arabs that they are willing to move and to give and to make compromises on the road to peace.

UNEMPLOYMENT INSURANCE REFORM ACT OF 1991

The SPEAKER pro tempore (Mr. McNULTY). Pursuant to House Resolution 221 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3040.

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IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3040, to provide a program of Federal supplemental compensation, and for other purposes, with Mr. LEWIS of Georgia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Monday, September 16, 1991, all time for general debate had expired.

Pursuant to the rule, the amendment in the nature of a substitute printed in the reported bill is considered as an original bill for the purpose of amendment and is considered as having been read.

The text of the Committee amendment in the nature of a substitute is as follows:

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Unemployment Insurance Reform Act of 1991".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—FEDERAL SUPPLEMENTAL COMPENSATION PROGRAM

Subtitle A—Establishment of Program

Sec. 101. Federal-State agreements.
Sec. 102. Federal supplemental compensation account.
Sec. 103. Supplemental benefit periods.
Sec. 104. Payments to States having agreements for the payment of Federal supplemental compensation.
Sec. 105. Definitions; special rules.
Sec. 106. Fraud and overpayments.

Subtitle B—Repeal of Extended Program

Sec. 111. Repeal of extended unemployment compensation program.

TITLE II—MODIFICATIONS TO ELIGIBILITY PROVISIONS

Sec. 201. Limitation on disqualifications under State law.
Sec. 202. Payments of unemployment compensation to former members of the armed forces.
Sec. 203. Optional benefits for certain school employees.
Sec. 204. Treatment of certain determinations.
Sec. 205. Promotion of retraining of long-term unemployment compensation recipients.
Sec. 206. Treatment of certain youth service program participants.

TITLE III—DEMONSTRATION PROGRAM TO PROVIDE JOB SEARCH ASSISTANCE

Sec. 301. Demonstration program to provide job search assistance.
Sec. 302. Job search assistance program.
Sec. 303. Administrative provisions.

TITLE IV—FINANCING REFORMS

Sec. 401. Transfer of income taxes on unemployment benefits to Unemployment Trust Fund.
Sec. 402. Modifications to Federal unemployment accounts.
Sec. 403. Report on method of allocating administrative funds among States.
Sec. 404. Advisory Council on Unemployment Compensation.

TITLE V—BUDGET COMPLIANCE PROVISIONS

Sec. 501. Cost estimate.
Sec. 502. Treatment under pay-as-you-go procedures.
Sec. 503. Exemption of Federal supplemental compensation from sequestration.

TITLE I—FEDERAL SUPPLEMENTAL COMPENSATION PROGRAM

Subtitle A—Establishment of Program

SEC. 101. FEDERAL-STATE AGREEMENTS.

(a) GENERAL RULE.—Any State which desires to do so may enter into and participate in an agreement with the Secretary under this subtitle. Any State which is party to an agreement under this subtitle may, upon providing 30 days' written notice to the Secretary, terminate such agreement.

(b) PROVISIONS OF AGREEMENT.—Any agreement under subsection (a) shall provide that the State agency of the State will make payments of Federal supplemental compensation—

(1) to individuals who—

(A) have exhausted all rights to regular compensation under the State law,

(B) have no rights to compensation with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law (and is not paid or entitled to be paid any additional compensation under any such State or Federal law), and

(C) are not receiving compensation with respect to such week under the unemployment compensation law of Canada,

(2) for any week of unemployment which begins in the individual's period of eligibility.

(c) EXHAUSTION OF BENEFITS.—For purposes of this subtitle, an individual shall be deemed to have exhausted his rights to regular compensation under a State law—

(1) when no payments of regular compensation can be made under such law because such individual has received all regular compensation available to him based on employment or wages during his base period, or

(2) when his rights to such compensation have terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(d) WEEKLY BENEFIT AMOUNT.—For purposes of any agreement under this subtitle—

(1) the amount of the Federal supplemental compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents' allowances) payable to him during his benefit year under the State law for a week of total unemployment, and

(2) the terms and conditions of the State law which apply to claims for regular compensation and to the payment thereof shall apply to claims for Federal supplemental compensation and the payment thereof; except where inconsistent with the provisions of this subtitle or with the regulations of the Secretary promulgated to carry out this subtitle.

SEC. 102. FEDERAL SUPPLEMENTAL COMPENSATION ACCOUNT.

(a) GENERAL RULE.—

(1) ESTABLISHMENT OF ACCOUNT.—Any agreement under this subtitle with a State shall provide that such State will establish, for each eligible individual who files an application for Federal supplemental compensation, a Federal supplemental compensation account with respect to such individual's benefit year.

(2) LIMITATION ON BENEFIT PAYMENTS.—The amount of Federal supplemental compensation payable to an eligible individual with respect to any benefit year shall not exceed the amount in such individual's account established under this section for such benefit year.

(b) AMOUNT IN ACCOUNT.—

(1) IN GENERAL.—The amount established in any Federal supplemental compensation account shall be equal to the lesser of—

(A) 100 percent of the total amount of regular compensation (including dependents' allowances) payable to the individual with respect to

the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation, or

(B) the applicable limit times his average weekly benefit amount for his benefit year.

(2) APPLICABLE LIMIT.—For purposes of this subsection—

In the case of weeks beginning during a:	*The applicable limit is:*
8-percent period	*20*
7-percent period	*15*
6-percent period	*10.*

(3) SPECIAL RULE.—In determining whether Federal supplemental compensation is payable to any individual for any week, the applicable limit in effect under paragraph (2) for such week shall be taken into account; except that an individual's applicable limit for any week shall in no event be less than the highest applicable limit in effect for any prior week for which Federal supplemental compensation was payable to the individual from the account involved.

(4) DETERMINATION OF PERIODS.—

(A) IN GENERAL.—For purposes of this subsection, the terms "8-percent period", "7-percent period", and "6-percent period" mean, with respect to any State, the period which—

(i) begins with the month after the 1st month for which the applicable trigger is on, and

(ii) ends with the month after the 1st month for which the applicable trigger is off.

(B) APPLICABLE TRIGGER.—In the case of any 8-percent period, 7-percent period, or 6-percent period, as the case may be—

(i) the applicable trigger is on for any month if the rate of total unemployment in the State (seasonally adjusted) for the most recent 3 months for which data are available (as of the close of such month) falls within the applicable range, and

(ii) the applicable trigger is off for any month if the requirements of clause (i) are not satisfied.

(C) APPLICABLE RANGE.—For purposes of this subsection, the applicable range is as follows:

In the case of a:	*The applicable range is:*
8-percent period	*A rate equal to or exceeding 8 percent.*
7-percent period	*A rate equal to or exceeding 7 percent but less than 8 percent.*
6-percent period	*A rate equal to or exceeding 6 percent but less than 7 percent.*

(5) WEEKLY BENEFIT AMOUNT.—For purposes of this subsection, an individual's weekly benefit amount for any week is the amount of regular compensation (including dependents' allowances) under the State law payable to such individual for such week for total unemployment.

(c) COORDINATION WITH TRADE ACT OF 1974.—

(1) Except as provided in paragraph (2), the maximum amount of Federal supplemental compensation payable to an individual shall not be reduced by reason of any trade readjustment allowance to which the individual was entitled under the Trade Act of 1974.

(2) If an individual received any trade readjustment allowance under the Trade Act of 1974 in respect of any benefit year, the maximum amount of Federal supplemental compensation payable under this subtitle in respect of such benefit year shall be reduced (but not below zero) by the aggregate amount of trade readjustment allowances payable in respect of such benefit year.

SEC. 103. SUPPLEMENTAL BENEFIT PERIODS.

(a) GENERAL RULE.—For purposes of this subtitle, in the case of any State, a supplemental benefit period—

(1) shall begin with the month after the 1st month for which there is a State "on" indicator, and

(2) shall end with the month after the 1st month for which there is a State "off" indicator.

(b) SPECIAL RULES.—

(1) MINIMUM PERIOD, ETC.—In the case of any State—

(A) no supplemental benefit period shall last for a period of less than 3 consecutive months, and

(B) no supplemental benefit period may begin before the 4th month after the close of a prior supplemental benefit period with respect to such State.

In the case of weeks beginning during any extension of a supplemental benefit period under subparagraph (A), 10 shall be treated as the applicable limit for purposes of section 102(b); except that, if such period began by reason of subsection (e), 5 shall be treated as the applicable limit for purposes of section 102(b).

(2) NOTIFICATION BY SECRETARY.—When a determination has been made that a supplemental benefit period is beginning or ending with respect to a State, the Secretary shall cause notice of such determination to be published in the Federal Register.

(3) TRANSITIONAL RULE.—No supplemental benefit period shall begin before the later of—

(A) the month following the month in which this Act is enacted, or

(B) the month following the month in which the agreement under this subtitle is entered into.

(c) ELIGIBILITY PERIOD.—For purposes of this subtitle, an individual's eligibility period shall consist of the weeks in his benefit year which begin in a supplemental benefit period and, if his benefit year ends within such supplemental benefit period, any weeks thereafter which begin in such supplemental benefit period. In no event shall an individual's period of eligibility include any weeks after the 26th week after the end of the benefit year for which he exhausted his rights to regular compensation.

(d) STATE "ON" AND "OFF" INDICATORS.—For purposes of this section—

(1) "ON" INDICATOR.—There is a State "on" indicator for a month if—

(A) for the period consisting of the most recent 3 months for which data are available as of the close of such month, the rate of total unemployment in such State (seasonally adjusted) equals or exceeds 6 percent, and

(B) the rate of total unemployment in such State (seasonally adjusted) for the 3-month period referred to in subparagraph (A) equals or exceeds 120 percent of the average of such rates for the corresponding 3-month periods ending in each of the preceding 2 calendar years.

(2) "OFF" INDICATOR.—There is a State "off" indicator for a month if either the requirements of subparagraph (A) or (B) of paragraph (1) are not satisfied.

(e) TEMPORARY NATIONAL TRIGGER.—

(1) IN GENERAL.—For purposes of determining eligibility for Federal supplemental compensation for weeks beginning before October 1, 1992—

(A) if the requirements of paragraph (2) are met for any month—

(i) a State "on" indicator shall be deemed to be in effect in all States for such month, and

(ii) a State "off" indicator shall not be treated as in effect in any State for such month, and

(B) in the case of weeks beginning during any supplemental benefit period which would not have been in effect but for subparagraph (A), 5 shall be treated as the applicable limit for purposes of section 102(b).

(2) NATIONAL TRIGGER.—The requirements of this paragraph are met for any month if the rate of total unemployment for all States (seasonally adjusted) for the period consisting of the most recent 3 months for which data are available as of the close of such month equals or exceeds 6 percent.

(f) TRANSITIONAL RULE.—In determining whether there is a State "on" or "off" indicator under this section (or whether there is an applicable trigger under section 102) for any month before the Secretary has established a system for making seasonal adjustments on a State-by-State basis, determinations under subparagraphs (A) and (B) of subsection (d)(1) of this section and under section 102(b)(4)(B) shall be made—

(1) as if such provisions did not include the phrase "(seasonally adjusted)", and

(2) by substituting "6" for "3" each place it appears.

SEC. 104. PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF FEDERAL SUPPLEMENTAL COMPENSATION.

(a) GENERAL RULE.—There shall be paid to each State which has entered into an agreement under this subtitle an amount equal to 100 percent of the Federal supplemental compensation paid to individuals by the State pursuant to such agreement.

(b) TREATMENT OF REIMBURSABLE COMPENSATION.—No payment shall be made to any State under this section in respect of compensation to the extent the State is entitled to reimbursement in respect of such compensation under the provisions of any Federal law other than this subtitle or chapter 85 of title 5, United States Code. A State shall not be entitled to any reimbursement under such chapter 85 in respect of any compensation to the extent the State is entitled to reimbursement under this subtitle in respect of such compensation.

(c) DETERMINATION OF AMOUNT.—Sums payable to any State by reason of such State having an agreement under this subtitle shall be payable, either in advance or by way of reimbursement (as may be determined by the Secretary), in such amounts as the Secretary estimates the State will be entitled to receive under this subtitle for each calendar month, reduced or increased, as the case may be, by any amount by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such method as may be agreed upon by the Secretary and the State agency of the State involved.

(d) CERTIFICATION.—The Secretary shall from time-to-time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this subtitle. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers from the supplemental compensation account (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

(e) AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN PAYMENTS.—There are authorized to be appropriated from the general fund of the Treasury, without fiscal year limitation, to the supplemental compensation account such sums as may be necessary to make payments under this section in respect of—

(1) compensation payable under chapter 85 of title 5, United States Code, and

(2) compensation payable on the basis of services to which section 3309(a)(1) of the Internal Revenue Code of 1986 applies.

Amounts appropriated pursuant to the preceding sentence shall not be required to be repaid.

SEC. 105. DEFINITIONS; SPECIAL RULES.

(a) GENERAL RULE.—For purposes of this subtitle—

(1) SECRETARY.—The term "Secretary" means the Secretary of Labor.

(2) COMPENSATION.—The term "compensation" means cash benefits payable to individuals with respect to their unemployment.

(3) REGULAR COMPENSATION.—The term "regular compensation" means compensation payable to an individual under any State unemployment compensation law (including compensation payable pursuant to chapter 85 of title 5, United States Code), other than additional compensation.

(4) ADDITIONAL COMPENSATION.—The term "additional compensation" means compensation payable to exhaustees by reason of conditions of high unemployment or by reason of other special factors.

(5) BENEFIT YEAR.—The term "benefit year" means the benefit year as defined in the applicable State law.

(6) BASE PERIOD.—The term "base period" means the base period as determined under applicable State law for the benefit year.

(7) STATE.—The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

(8) STATE AGENCY.—The term "State agency" means the agency of the State which administers its State law.

(9) STATE LAW.—The term "State law" means the unemployment compensation law of the State, approved by the Secretary under section 3304 of the Internal Revenue Code of 1986.

(10) WEEK.—The term "week" means a week as defined in the applicable State law.

(11) RATE OF TOTAL UNEMPLOYMENT.—

(A) IN GENERAL.—Determinations of the rate of total unemployment in any State for any period (and of any seasonal adjustment) shall be made by the Secretary.

(B) SPECIAL RULES FOR VIRGIN ISLANDS.—

(i) The rate of total unemployment in the Virgin Islands for any period shall be a rate which bears the same ratio to the rate of insured unemployment in the Virgin Islands for such period as—

(I) the rate of total unemployment in all States for such period, bears to

(II) the rate of insured unemployment in all States for such period.

(ii) The provisions of section 103(f) shall apply to the Virgin Islands for all periods whether or not the Secretary has established a system for making seasonal adjustments on a State-by-State basis.

(iii) Determination of the rate of insured unemployment shall be made as provided in the Federal-State Extended Unemployment Compensation Act of 1970 (as in effect before its repeal by subtitle B of this title).

(b) REACHBACK PROVISIONS.—If any individual exhausted his rights to regular compensation under the State law after December 31, 1990, and before the month following the month in which this Act is enacted (or, if later, the month following the month in which the agreement under this subtitle is entered into), such individual shall be entitled to supplemental compensation under this subtitle in the same manner as if his benefit year ended no earlier than the last day of the first week of such following month.

(c) COORDINATION WITH REPEALED EXTENDED PROGRAM.—If an individual received extended compensation under the Federal-State Extended Unemployment Compensation Act of 1970 (as in effect before its repeal by subtitle B of this title) in respect of any benefit year, the maximum amount of Federal supplemental compensation payable under this subtitle in respect of such benefit year shall be reduced (but not below zero) by the aggregate amount of extended compensation so received.

SEC. 106. FRAUD AND OVERPAYMENTS.

(a)(1) If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of Federal supplemental compensation under this subtitle to which he was not entitled, such individual—

(A) shall be ineligible for further Federal supplemental compensation under this subtitle in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation, and

(B) shall be subject to prosecution under section 1001 of title 18, United States Code.

(2)(A) In the case of individuals who have received amounts of Federal supplemental compensation under this subtitle to which they were not entitled, the State may require such individuals to repay the amounts of such Federal supplemental compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(i) the payment of such Federal supplemental compensation was without fault on the part of any such individual, and

(ii) such repayment would be contrary to equity and good conscience.

(B) The State agency may recover the amount to be repaid, or any part thereof, by deductions from any Federal supplemental compensation payable to such individual under this subtitle or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the 3-year period after the date such individuals received the payment of the Federal supplemental compensation to which they were not entitled, except that no single deduction may exceed 50 percent of the weekly benefit amount from which such deduction is made.

(C) No repayment may be required, and no deduction may be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(3) Any determination by a State agency under paragraph (1) or (2) shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in such manner and to such extent.

Subtitle B—Repeal of Extended Program

SEC. 111. REPEAL OF EXTENDED UNEMPLOYMENT COMPENSATION PROGRAM.

(a) GENERAL RULE.—

(1) The Federal-State Extended Unemployment Compensation Act of 1970 is hereby repealed.

(2) Subsection (a) of section 3304 of the Internal Revenue Code of 1986 is amended by striking paragraph (11) and by redesignating the following paragraphs accordingly.

(3) Subsection (c) of section 3304 of such Code is amended by striking "(including provisions relating to the Federal-State Extended Unemployment Compensation Act of 1970 (or any amendments thereto) as required under subsection (a)(11))".

(b) AMENDMENTS TO SOCIAL SECURITY ACT.—

(1) Section 905 of the Social Security Act is amended—

(A) by striking "extended unemployment compensation account" each place it appears and inserting "supplemental compensation account",

(B) by striking "EXTENDED UNEMPLOYMENT COMPENSATION Account" in the heading of such section and inserting "SUPPLEMENTAL COMPENSATION ACCOUNT",

(C) by striking "EXTENDED UNEMPLOYMENT COMPENSATION ACCOUNT" in the heading of subsection (d) and inserting "SUPPLEMENTAL COMPENSATION ACCOUNT",

(D) by striking "section 204(e) of the Federal-State Extended Unemployment Compensation Act of 1970" in subsection (c) and inserting "section 104(d) of the Unemployment Insurance Reform Act of 1991", and

(E) by striking "the Federal-State Extended Unemployment Compensation Act of 1970" in subsection (d) and inserting "subtitle A of title I of the Unemployment Insurance Reform Act of 1991".

(2) Sections 901(c)(3)(A), 901(f)(3), 902 (a) and (c), and 903(a) of such Act are each amended by striking "extended unemployment compensation account" each place it appears and inserting "supplemental compensation account".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to weeks of unemployment beginning after the month in which this Act is enacted.

TITLE II—MODIFICATIONS TO ELIGIBILITY PROVISIONS

SEC. 201. LIMITATION ON DISQUALIFICATIONS UNDER STATE LAW.

(a) GENERAL RULE.—Paragraph (10) of section 3304(a) of the Internal Revenue Code of 1986 (relating to requirements for approval of State laws) is amended by inserting "(A)" after "(10)", by striking "total", by inserting "and" after the semicolon, and by adding at the end thereof the following new subparagraph:

"(B) compensation shall not be denied to any individual by reason of the circumstances under which such individual separated from employment by any employer unless such separation was such individual's most recent separation from employment;".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect on November 1, 1993.

(2) SPECIAL RULE.—In the case of any State the legislature of which has not been in session for at least 30 calendar days (whether or not successive) between the date of the enactment of this Act and November 1, 1993, the amendments made by subsection (a) shall take effect 30 calendar days after the 1st day on which such legislature is in session on or after November 1, 1993.

SEC. 202. PAYMENTS OF UNEMPLOYMENT COMPENSATION TO FORMER MEMBERS OF THE ARMED FORCES.

(a) REPEAL OF CERTAIN LIMITATIONS.—Subsection (c) of section 8521 of title 5, United States Code, is hereby repealed.

(b) REDUCTION IN LENGTH OF REQUIRED ACTIVE DUTY BY RESERVES.—Paragraph (1) of section 8521(a) of such title 5 is amended by striking "180 days" and inserting "90 days".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to weeks of unemployment beginning after the date of the enactment of this Act.

SEC. 203. OPTIONAL BENEFITS FOR CERTAIN SCHOOL EMPLOYEES.

(a) IN GENERAL.—

(1) Subclause (I) of section 3304(a)(6)(A)(ii) of the Internal Revenue Code of 1986 is amended by striking "shall be denied" and inserting "may be denied".

(2) Subparagraph (A) of section 3304(a)(6) of such Code is amended by striking "and" at the end of clauses (iii) and (iv) and by inserting after clause (v) the following new clause:

"(vi) with respect to services described in clause (ii), clauses (iii) and (iv) shall be applied by substituting 'may be denied' for 'shall be denied', and".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply in the case of compensation paid for weeks beginning on or after the date of the enactment of this Act.

SEC. 204. TREATMENT OF CERTAIN DETERMINATIONS.

(a) IN GENERAL.—Subsection (a) of section 3304 of the Internal Revenue Code of 1986 (as amended by section 111) is amended—

(1) by striking "and" at the end of paragraph (16),

(2) by redesignating paragraph (17) as paragraph (18), and

(3) by inserting after paragraph (16) the following new paragraph:

"(17) no finding of fact or law, judgment, conclusion, or final order made with respect to a claim for unemployment compensation benefits pursuant to the State's unemployment compensation law may be conclusive or binding or used as evidence in any separate or subsequent action or proceeding in another forum, except proceedings under the State's unemployment compensation law, regardless of whether the prior action was between the same or related parties or involved the same facts; and".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect on November 1, 1992.

(2) SPECIAL RULE.—In the case of any State the legislature of which has not been in session for at least 30 calendar days (whether or not successive) between the date of the enactment of this Act and November 1, 1992, the amendments made by subsection (a) shall take effect 30 calendar days after the 1st day on which such legislature is in session on or after November 1, 1992.

SEC. 205. PROMOTION OF RETRAINING OF LONG-TERM UNEMPLOYMENT COMPENSATION RECIPIENTS.

(a) GENERAL RULE.—Paragraph (8) of section 3304(a) of the Internal Revenue Code of 1986 (relating to requirements for approval of State laws) is amended to read as follows:

"(8)(A) compensation shall not be denied to any individual for any week because during such week such individual is participating (as defined in regulations issued by the Secretary of Labor) in training with the approval of the State agency (or because of the application, to any week during which such individual is so participating, of State law provisions relating to the availability for work, active search for work, or refusal to accept work), and

"(B) in the case of an individual who has received compensation under the State law for 10 weeks or more during the benefit year, the State agency shall approve any program of training involving—

"(i) classroom training,

"(ii) occupational skill training,

"(iii) basic or remedial education, or

"(iv) literacy or remedial English training,

unless such agency determines, from a preponderance of evidence, that such training would not provide a net social benefit;".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall take effect on November 1, 1992.

(2) SPECIAL RULE.—In the case of any State the legislature of which has not been in session for at least 30 calendar days (whether or not successive) between the date of the enactment of this Act and November 1, 1992, the amendment made by subsection (a) shall take effect 30 calendar days after the 1st day on which such legislature is in session on or after November 1, 1992.

SEC. 206. TREATMENT OF CERTAIN YOUTH SERVICE PROGRAM PARTICIPANTS.

(a) IN GENERAL.—Subparagraph (A) of section 3304(a)(6) of the Internal Revenue Code of 1986 (as amended by section 203) is amended by striking "and" at the end of clause (v) and by inserting after clause (vi) the following new clause:

"(vii) compensation may be denied to an individual on the basis of services for an organization described in section 501(c)(3) and exempt from tax under section 501(a) as a participant in a youth service program which is operated by such organization and which is designed to foster a commitment to community service and occupational and educational development and does not include any substantial commercial activities, if the remuneration under the program consists solely of—

"(I) amounts established by the program to approximate the transportation, meals, and other miscellaneous expenses incurred by the participant in performing services, or in attending educational classes, pursuant to the program, and

"(II) amounts received on completion of such individual's participation in such program as a cash award or as a scholarship, and".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply in the case of compensation paid for weeks beginning on or after the date of the enactment of this Act.

TITLE III—DEMONSTRATION PROGRAM TO PROVIDE JOB SEARCH ASSISTANCE

SEC. 301. DEMONSTRATION PROGRAM TO PROVIDE JOB SEARCH ASSISTANCE.

(a) GENERAL RULE.—The Secretary of Labor shall carry out a demonstration program under this title for purposes of determining the feasibility of implementing job search assistance programs. To carry out such demonstration program, the Secretary shall enter into agreements with 3 States which—

(1) apply to participate in such program, and

(2) demonstrate to the Secretary that they are capable of implementing the provisions of an agreement under this section.

(b) SELECTION OF STATES.—

(1) IN GENERAL.—In determining whether to enter into an agreement with a State under this section, the Secretary shall take into consideration at least—

(A) the size, geography, and occupational and industrial composition of the State,

(B) the adequacy of State resources to carry out a job search assistance program,

(C) the range and extent of specialized services to be provided by the State to individuals covered by the agreement, and

(D) the design of the evaluation to be applied by the State to the program.

(2) REPLICATION OF PRIOR DEMONSTRATION PROJECT.—At least 1 of the States selected by the Secretary under subsection (a) shall be a State which has operated a successful demonstration project with respect to job search assistance under a contract with the Department of Labor. The demonstration program under this title of any such State shall, at a minimum, replicate the project it operated under such contract in the same geographic areas.

(c) PROVISIONS OF AGREEMENT.—Any agreement entered into with a State under this section shall—

(1) provide that the State will implement a job search assistance program during the 1-year period specified in such agreement,

(2) provide that such implementation will begin not later than the date 1 year after the date of the enactment of this Act,

(3) contain such provisions as may be necessary to ensure an accurate evaluation of the effectiveness of a job search assistance program, including—

(A) random selection of eligible individuals for participation in the program and for inclusion in a control group, and

(B) collection of data on participants and members of a control group as of the close of the 1-year period and 2-year period after the operations of the program cease,

(4) provide that not more than 5 percent of the claimants for unemployment compensation under the State law shall be selected as participants in the job search assistance program, and

(5) contain such other provisions as the Secretary may require.

SEC. 302. JOB SEARCH ASSISTANCE PROGRAM.

(a) GENERAL RULE.—For purposes of this title, a job search assistance program shall provide that—

(1) eligible individuals who are selected to participate in the program shall be required to participate in a qualified intensive job search program after receiving compensation under such State law during any benefit year for at least 6 but not more than 10 weeks,

(2) every individual required to participate in a job search program under paragraph (1) shall be entitled to receive an intensive job search program voucher, and

(3) any individual who is required under paragraph (1) to participate in a qualified intensive job search program and who does not satisfactorily participate in such program shall be disqualified from receiving compensation under such State law for the period (of not more than 10 weeks) specified in the agreement under section 301.

(b) ELIGIBLE INDIVIDUAL.—For purposes of this title—

(1) IN GENERAL.—The term "eligible individual" means any individual receiving compensation under the State law during any benefit year if, during the 3-year period ending on the last day of the base period for such benefit year, such individual had at least 126 weeks of employment at wages of $30 or more a week with such individual's last employer in such base period (or, if data with respect to weeks of employment with such last employer are not available, an equivalent amount of employment computed under regulations prescribed by the Secretary).

(2) EXCEPTION.—Such term shall not include any individual if—

(A) such individual has a definite date for recall to his former employment,

(B) such individual seeks employment through a union hall or similar arrangement, or

(C) the State agency—

(i) waives the requirements of subsection (a)(1) for good cause shown by such individual, or

(ii) determines that such participation would not be appropriate for such individual.

(c) QUALIFIED INTENSIVE JOB SEARCH PROGRAM.—For purposes of this section, the term "qualified intensive job search program" means any intensive job search assistance program which—

(1) is approved by the State agency,

(2) is provided by an organization qualified to provide job search assistance programs under any other Federal law, and

(3) includes—

(A) all basic employment services, such as orientation, testing, a job-search workshop, and an individual assessment and counseling interview, and

(B) additional services, such as ongoing contact with the program staff, followup assistance, resource centers, and job search materials and equipment.

(d) INTENSIVE JOB SEARCH VOUCHER.—For purposes of this section, the term "intensive job search voucher" means any voucher which entitles the organization (including the State employment service) providing the qualified intensive job search assistance program to a payment from the State agency equal to the lesser of—

(1) the reasonable costs of providing such program, or

(2) the average weekly benefit amount in the State.

SEC. 303. ADMINISTRATIVE PROVISIONS.

(a) FINANCING PROVISIONS.—

(1) PAYMENTS TO STATES.—There shall be paid to each State which enters into an agreement

under section 301 an amount equal to the lesser of the reasonable costs of operating the job search assistance program pursuant to such agreement or the State's average weekly benefit amount for each individual selected to participate in the job search assistance program operated by such State pursuant to such agreement. Funds in the supplemental compensation account (as established by section 905 of the Social Security Act) shall be used for purposes of making such payments.

(2) PAYMENTS ON CALENDAR MONTH BASIS.—There shall be paid to each State either in advance or by way of reimbursement, as may be determined by the Secretary, such sum as the Secretary estimates the State will be entitled to receive under this subsection for each calendar month, reduced or increased, as the case may be, by any sum by which the Secretary finds that his estimates for any prior calendar month were greater or less than the amounts which should have been paid to the State. Such estimates may be made on the basis of such method as may be agreed upon by the Secretary and the State agency.

(3) CERTIFICATION.—The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this subsection. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, by transfers from the supplemental compensation (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

(4) SPECIAL RULE.—Notwithstanding any other provision of law, amounts in the account of a State in the Unemployment Trust Fund may be used for purposes of making payments pursuant to intensive job search vouchers provided pursuant to an agreement under this title.

(b) REPORTS TO CONGRESS.—

(1) INTERIM REPORTS.—The Secretary shall submit 2 interim reports to the Congress on the effectiveness of the demonstration program carried out under this title. The 1st such report shall be submitted before the date 2 years after operations under the demonstration program commenced and the 2d such report shall be submitted before the date 4 years after such commencement.

(2) FINAL REPORT.—Not later than the date 5 years after the commencement referred to in paragraph (1), the Secretary shall submit a final report to the Congress on the demonstration program carried out under this title. Such report shall include estimates of program impact, such as—

(A) changes in duration of unemployment, earnings, and hours worked of participants,

(B) changes in unemployment compensation outlays,

(C) changes in unemployment taxes,

(D) net effect on the Unemployment Trust Fund,

(E) net effect on Federal unified budget deficit, and

(F) net social benefits or costs of the program.

(c) DEFINITIONS.—For purposes of this title, the terms "compensation", "benefit year", "Secretary", "State", "State agency", "State law", "base period", and "week" have the respective meanings given such terms by section 105.

TITLE IV—FINANCING REFORMS

SEC. 401. TRANSFER OF INCOME TAXES ON UNEMPLOYMENT BENEFITS TO UNEMPLOYMENT TRUST FUND.

(a) GENERAL RULE.—Paragraph (1) of section 901(b) of the Social Security Act is amended by striking "an amount equal to" and all that follows through the period at the end thereof and inserting the following: "an amount equal to—

"(A) 100 percent of the tax (including interest, penalties, and additions to the tax) received during the fiscal year under the Federal Unemployment Tax Act (26 U.S.C. 3301 et seq.) and covered into the Treasury, plus

"(B) the aggregate increase in tax liabilities under chapter 1 of the Internal Revenue Code of 1986 which is attributable to the application of section 85 of such Code (relating to taxation of unemployment compensation)."

(b) TRANSFERS BASED ON ESTIMATES OF BENEFIT PAYMENTS.—The 2d sentence of section 901(b)(2) of such Act is amended by inserting before the period at the end thereof the following: "(or, in the amounts referred to in paragraph (1)(B), of the amount of unemployment compensation paid during the month)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fiscal years beginning after September 30, 1991.

SEC. 402. MODIFICATIONS TO FEDERAL UNEMPLOYMENT ACCOUNTS.

(a) TREATMENT OF STATES MAINTAINING ADEQUATE BALANCES.—Section 904 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Increase in Quarterly Credits for States With Adequate Balances

"(h)(1) If a State's high-cost multiple exceeds 0.5 for any calendar quarter, the Secretary of the Treasury shall transfer (as of the close of the succeeding calendar quarter) from the general fund of the Treasury to the account of such State in the Unemployment Trust Fund an amount equal to the applicable percentage of the portion of the earnings of the Fund which are credited under subsection (e) to such account as of the close of such succeeding calendar quarter.

"(2) For purposes of paragraph (1)—

"If the State's high-cost multiple:	***The applicable percentage is:***
Exceeds 0.5 but does not exceed 1.0	*5 percent*
Exceeds 1.0 but does not exceed 1.5	*10 percent*
Exceeds 1.5	*15 percent.*

"(3)(A) For purposes of this subsection, the high-cost multiple of any State for any calendar quarter is the amount obtained by dividing the fraction set forth in subparagraph (B) by the fraction set forth in subparagraph (C). Such multiple shall be determined by the Secretary of Labor and certified by such Secretary to the Secretary of the Treasury before the close of the calendar quarter following the quarter for which the multiple is being determined.

"(B) For purposes of subparagraph (A), the fraction set forth in this subparagraph with respect to any State for any calendar quarter is a fraction—

"(i) the numerator of which is the account balance of the State as of the close of the quarter determined after any reduction provided in subsection (e) and by taking into account any transfer under this subsection as of the close of such quarter, and

"(ii) the denominator of which is the total amount of wages (determined without regard to any limitation on amount) subject to contributions under the State unemployment compensation law for the most recent 4 calendar quarters for which data are available.

"(C) For purposes of subparagraph (A), the fraction set forth in this subparagraph with respect to any State for any calendar quarter is the following fraction determined for the preceding calendar year for which such fraction is the highest for the State: A fraction—

"(i) the numerator of which is the total amount of compensation paid under the State law during the calendar year, and

"(ii) the denominator of which is the total amount of wages (determined with regard to any limitation on amount) subject to contributions under the State unemployment compensation law for the calendar year."

(b) TRANSFERS TO FEDERAL UNEMPLOYMENT ACCOUNT.—

(1) IN GENERAL.—Section 902 of the Social Security Act is amended—

(A) by redesignating subsections (a) through (c) as subsections (b) through (d), respectively, and

(B) by inserting after the section designation the following new subsection:

"(a)(1) Except as provided in paragraph (2), the Secretary of the Treasury shall transfer (as of the close of October 1992 and each month thereafter), from the employment security administration account to the Federal unemployment account, an amount determined by the Secretary to be equal to 10 percent of the amount by which—

"(A) transfers to the employment security administration account pursuant to section 901(b)(2) during such month, exceed

"(B) payments during such month from the employment security administration account pursuant to subsections (b)(3) and (d) of section 901.

If for any such month the payments referred to in subparagraph (B) exceed the transfers referred to in subparagraph (A), proper adjustments shall be made in the amounts subsequently transferred.

"(2) The Secretary of the Treasury shall make no transfer pursuant to paragraph (1) as of the close of any month if the Secretary determines that the amount in the Federal unemployment account is equal to (or in excess of) the limitation provided in subsection (b).".

(2) REDUCTION OF CEILING.—Paragraph (2) of section 902(b) of such Act, as redesignated by paragraph (1) of this subsection, is amended by striking "five-eighths of 1 percent" and inserting "0.375 percent".

(3) CONFORMING AMENDMENTS.—

(A) Subparagraph (A) of section 901(f)(2) of such Act is amended by striking "902(b)" and inserting "902(c)".

(B) Subsection (c) of section 902 of such Act, as redesignated by paragraph (1) of this subsection, is amended by striking "subsection (a)" and inserting "subsection (b)".

(C) Subsection (d) of section 902 of such Act, as redesignated by paragraph (1) of this subsection, is amended by striking "section 902(a)" and inserting "subsection (b) of this section".

(D) Paragraph (1) of section 903(a) of such Act is amended by striking "902(a)" and inserting "902(b)".

(E) Section 1203 of such Act is amended by striking "902(a)" and inserting "902(b)".

(c) INCREASE IN CEILING ON SUPPLEMENTAL COMPENSATION ACCOUNT.—Subparagraph (B) of section 905(b)(2) of such Act is amended by striking "three-eighths of 1 percent" and inserting "0.625 percent".

(d) BORROWING BETWEEN FEDERAL ACCOUNTS.—Title IX of such Act is amended by adding at the end the following new section:

"BORROWING BETWEEN FEDERAL ACCOUNTS

"SEC. 910. (a) IN GENERAL.—Whenever the Secretary of the Treasury (after consultation with the Secretary of Labor) determines that—

"(1) the amount in the employment security administration account, Federal unemployment account, or supplemental compensation account, is insufficient to meet the anticipated payments from the account during the next 3 months,

"(2) such insufficiency may cause such account to borrow from the general fund of the Treasury, and

"(3) the amount in any other such account exceeds the amount necessary to meet the antici-

pated payments from such other account during the next 3 months,

the Secretary shall transfer to the account referred to in paragraph (1) from the account referred to in paragraph (3) an amount equal to the insufficiency determined under paragraph (1) (or, if less, the excess determined under paragraph (3)).

"(b) TREATMENT OF ADVANCE.—Any amount transferred under subsection (a)—

"(1) shall be treated as a noninterest-bearing repayable advance, and

"(2) shall not be considered in computing the amount in any account for purposes of the application of sections 901(f)(2), 902(c), and 905(b).

"(c) REPAYMENT.—Whenever the Secretary of the Treasury (after consultation with the Secretary of Labor) determines that the amount in the account to which an advance is made under subsection (a) exceeds the amount necessary to meet the anticipated payments from the account during the next 3 months, the Secretary shall transfer from the account to the account from which the advance was made an amount equal to the amount so advanced.".

(e) REPEAL OF EXPIRED PROVISIONS.—

(1) Paragraph (2) of section 901(f) of such Act is amended—

(A) by striking "(A) Except as provided in subparagraph (B), the" and inserting "The", and

(B) by striking subparagraph (B).

(2) Section 901 of such Act is amended by striking subsection (g).

(3) Subsection (g) of section 904 is amended by striking all of such subsection that follows the 1st sentence.

(4) Paragraph (1) of section 905(b) of such Act is amended by striking ", in the case of any month before April 1972, to one-fifth, and in the case of any month after March 1972, to one-tenth," and inserting "to 10 percent".

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to fiscal years beginning after September 30, 1992.

SEC. 403. REPORT ON METHOD OF ALLOCATING ADMINISTRATIVE FUNDS AMONG STATES.

(a) IN GENERAL.—The Secretary of Labor shall submit to the Congress, within the 12-month period beginning on the date of the enactment of this Act, a comprehensive report setting forth a proposal for revising the method of allocating grants among the States under section 302 of the Social Security Act.

(b) SPECIFIC REQUIREMENTS.—The report required by subsection (a) shall include an analysis of—

(1) the use of unemployment insurance workload levels as the primary factor in allocating grants among the States under section 302 of the Social Security Act,

(2) ways to ensure that each State receive not less than a minimum grant amount for each fiscal year,

(3) the use of nationally available objective data to determine the unemployment compensation administrative costs of each State, with consideration of legitimate cost differences among the States,

(4) ways to simplify the method of allocating such grants among the States,

(5) ways to eliminate the disincentives to productivity and inefficiency which exist in the current method of allocating such grants among the States,

(6) ways to promote innovation and cost-effective practices in the method of allocating such grants among the States, and

(7) the effect of the proposal set forth in such report on the grant amounts allocated to each State.

(c) CONGRESSIONAL REVIEW PERIOD.—The Secretary of Labor may not revise the method in effect on the date of the enactment of this Act for allocating grants among the States under section 302 of the Social Security Act, until after the expiration of the 12-month period beginning on the date on which the report required by subsection (a) is submitted to the Congress.

SEC. 404. ADVISORY COUNCIL ON UNEMPLOYMENT COMPENSATION.

Section 908 of the Social Security Act is amended to read as follows:

"ADVISORY COUNCIL ON UNEMPLOYMENT COMPENSATION

"SEC. 908. (a) ESTABLISHMENT.—Not later than December 31 of 1991 (and of every 5th year thereafter), the Secretary of Labor shall establish an advisory council to be known as the Advisory Council on Unemployment Compensation (referred to in this section as the 'Council').

"(b) FUNCTION.—It shall be the function of each Council to evaluate the unemployment compensation program, including the countercyclical effectiveness, benefit adequacy, solvency, and administrative efficiency of the program.

"(c) MEMBERS.—

"(1) IN GENERAL.—Each Council shall consist of 17 members as follows:

"(A) The Secretary of Labor, who shall be the chairperson.

"(B) 8 members appointed by the President.

"(C) 8 members appointed by the Congress.

"(2) QUALIFICATIONS.—Of the members appointed under subparagraph (B) or (C)—

"(A) ¼ shall be Members of the Congress,

"(B) ¼ shall be representative of the interests of business,

"(C) ¼ shall be representative of the interests of labor, and

"(D) ¼ shall be representative of the interests of State governments.

"(3) VACANCIES.—A vacancy in any Council shall be filled in the manner in which the original appointment was made.

"(d) STAFF AND OTHER ASSISTANCE.—

"(1) IN GENERAL.—Each Council may engage any technical assistance (including actuarial services) required by the Council to carry out its functions under this section.

"(2) ASSISTANCE FROM SECRETARY OF LABOR.—The Secretary of Labor may provide each Council with any staff, office facilities, and other assistance, and any data prepared by the Department of Labor, required by the Council to carry out its functions under this section.

"(e) COMPENSATION.—Each member of any Council—

"(1) shall be entitled to receive compensation at rates fixed by the Secretary of Labor (but not exceeding $100) for each day (including travel time) during which such member is engaged in the actual performance of duties vested in the Council, and

"(2) while engaged in the performance of such duties away from such member's home or regular place of business, may be allowed travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of title 5, United States Code, for persons in the Government employed intermittently.

"(f) REPORT.—Not later than October 1 of the year following the year in which any Council is required to be established under subsection (a), the Council shall submit to the Congress a report setting forth the findings and recommendations of the Council as a result of its evaluation of the unemployment compensation program under this section.

"(g) TERMINATION.—Each Council shall cease to exist after the date on which the Council submits its report under subsection (f)."

TITLE V—BUDGET COMPLIANCE PROVISIONS

SEC. 501. COST ESTIMATE.

The applicable cost estimate of this Act for all purposes of sections 252 and 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be as follows:

For fiscal year	*Increase in Outlays:*	*Increase in Receipts:*
1991	*$1,620,000,000*	*$0*
1992	*$3,975,000,000*	*$0*
1993	*$412,000,000*	*$20,000,000*
1994	*$140,000,000*	*$20,000,000*
1995	*$140,000,000*	*$20,000,000.*

SEC. 502. TREATMENT UNDER PAY-AS-YOU-GO PROCEDURES.

Notwithstanding section 501—

(1) the provisions of (and amendments made by) this Act shall be treated as provisions designated as emergency requirements by the President and the Congress under section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, and

(2) any amount of new budget authority, outlays, or receipts resulting from the provisions of (and amendments made by) this Act shall not be considered for any purpose under the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 503. EXEMPTION OF FEDERAL SUPPLEMENTAL COMPENSATION FROM SEQUESTRATION.

Payments under title I of this Act (relating to Federal supplemental compensation program) shall be exempt from any order issued under part C of the Balanced Budget and Emergency Deficit Control Act of 1985 for fiscal year 1992 or any succeeding fiscal year.

The CHAIRMAN. No amendment to said substitute shall be in order except those amendments printed in House Report 102–201. Said amendments shall be considered in the order and manner specified in said report, shall be considered as read, and shall not be subject to amendment. Debate time specified for each amendment shall be equally divided and controlled by the proponent of the amendment and a member opposed thereto.

It shall be in order to consider en bloc the amendments numbered 1 printed in House Report 102–201. Said amendments shall not be subject to a demand for a division of the question.

It is now in order to consider amendment No. 1 printed in House Report 102–201.

AMENDMENTS EN BLOC OFFERED BY MR. ROSTENKOWSKI

Mr. ROSTENKOWSKI. Mr. Chairman, I offer amendments en bloc.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. ROSTENKOWSKI:

Page 24, strike lines 6 through 24.

Page 25, line 1, strike "SEC. 204." and insert SEC. 203.".

Page 26, line 7, strike "SEC. 205." and insert "SEC. 204.".

Page 27, line 20, strike "SEC. 206." and insert "SEC. 205".

Page 27, strike line 22 and all that follows through line 3 on page 28 and insert the following:

(a) IN GENERAL.—Subparagraph (A) of section 3304(a)(6) of the Internal Revenue Code of 1986 is amended by striking "and" at the end of clauses (iii) and (iv) and by inserting after clause (v) the following new clause:

"(vi) compensation may be denied to an

Page 50, strike the table following line 6 and insert the following:

For fiscal year:	Increase in outlays:	Increase in receipts:
1992	$5,515,000,000	$0
1993	$392,000,000	$0
1994	$120,000,000	$0
1995	$120,000,000	$0

Page 2, strike the item relating to section 203 in the table of contents and redesignate the items relating to sections 204, 205, and 206 as relating to sections 203, 204, and 205, respectively.

The CHAIRMAN. Pursuant to the rule, the gentleman from Illinois [Mr. ROSTENKOWSKI] will be recognized for 5 minutes and a Member opposed will be recognized for 5 minutes.

The Chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the Ways and Means Committee amendment would delete section 203 of the reported bill, which would provide States the option to cover nonprofessional school employees under their unemployment compensation programs. This provision would have allowed cafeteria workers, crossing guards, custodians, and other nonprofessional school employees to receive unemployment benefits when they could not find another job between terms or academic years. These benefits would have been financed by employer reimbursements of $20 million per year to the Federal unemployment trust fund.

Mr. Chairman, the committee strongly supported this provision, but the additional Federal receipts it would generate could allow the Senate to interpret H.R. 3040 as a revenue bill. This unfortunate characterization could lead to many mischievous revenue amendments in the other body, which would sidetrack this important bill from its main objective, providing essential benefits to unemployed workers.

The Committee on Ways and Means recommended deleting this provision with great reluctance. Despite this reluctance, I urge my colleagues to support this amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is any Member opposed to the amendments en bloc?

Mr. ROSTENKOWSKI. Mr. Chairman, I yield back the balance of my time and ask for the adoption of the amendments en bloc.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from Illinois [Mr. ROSTENKOWSKI].

The amendments en bloc were agreed to.

The CHAIRMAN. It is now in order to consider amendment No. 2 printed in the House Report 102–201.

It is now in order to consider amendment no. 3 printed in House Report 102–201.

AMENDMENT OFFERED BY MR. ROSTENKOWSKI

Mr. ROSTENKOWSKI. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ROSTENKOWSKI:

Strike title V of the bill and insert the following (and conform the table of contents accordingly):

TITLE V—BUDGET COMPLIANCE PROVISIONS

Subtitle A—Congressional Designation of Emergency

SEC. 501. CONGRESSIONAL DESIGNATION OF EMERGENCY.

Pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985, the Congress hereby designates the provisions of (and amendments made by) this Act as emergency requirements.

Subtitle B—Effect of Failure of President to Designate Emergency

SEC. 511. CERTAIN PROVISIONS APPLICABLE ONLY IF PRESIDENT FAILS TO DESIGNATE EMERGENCY.

The provisions of (and amendments made by) sections 512, 513, and 514(a) shall take effect only if the President does not, on the date of the enactment of this Act, designate the provisions of (and amendments made by) this Act as emergency requirements pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 512. MODIFICATIONS TO FEDERAL UNEMPLOYMENT TAX.

(a) GENERAL RULE.—Section 3301 of the Internal Revenue Code of 1986 (relating to rate of Federal unemployment tax) is amended to read as follows:

"SEC. 3301. RATE OF TAX.

(a) GENERAL RULE.—There is hereby imposed on every employer (as defined in section 3306)) for each calendar year an excise tax, with respect to having individuals in his employ, equal to the sum of—

"(1) 5.4 percent of the total wages (as defined in section 3306(b)) paid by him during the calendar year with respect to employment (as defined in section 3306(c)), and

"(2) 0.2 percent of the total Federal taxable wages paid by him during the calendar year with respect to employment (as so defined).

"(b) FEDERAL TAXABLE WAGES.—For purposes of subsection (a), the term 'Federal taxable wages' means wages as defined in section 3306(b), except that the contribution and benefit base determined under section 230 of the Social Security Act for the calendar year shall be substituted for '$7,000' each place it appears in paragraph (1) of section 3306(b).

"(c) PHASE-IN.—Paragraph (2) of subsection (a) shall be applied with respect to Federal taxable wages paid in a calendar year before 1996 by substituting the applicable percentage determined under the following table for '0.2 percent':

"In the case of Federal taxable wages paid in calendar year:	The applicable percentage is:
1993	0.4 percent
1994	0.4 percent
1995	0.23 percent."

(b) CONFORMING AMENDMENTS.—

(1) MODIFICATION TO CREDIT PROVISIONS.—

(A) Paragraph (1) of section 3302(c) of such Code is amended to read as follows:

"(1) No credit shall be allowed under this section against the tax imposed by section 3301(a)(2), and the total credits allowed to a taxpayer under this section shall not exceed 100 percent of the tax against which such credits are allowable."

(B) Subparagraph (A) of section 3302(c)(2) of such Code is amended—

(i) by striking "5 percent of the tax imposed by section 3301 with respect to the wages" in clause (i) and inserting "0.3 percent of the wages", and

(ii) by striking "an additional 5 percent, for each succeeding taxable year, of the tax imposed by section 3301 with respect to the wages" in clause (ii) and by inserting "an additional 0.3 percent, for each succeeding taxable year, of the wages".

(C) Paragraph (3) of section 3302(c) of such Code is amended by striking "7½ percent of the tax imposed by section 3301 with respect to the wages" and inserting "0.45 percent of the wages".

(D) Subsection (d) of section 3302 of such Code is amended by striking paragraph (1) and by redesignating the following paragraphs accordingly.

(2) INSTALLMENT PAYMENT PROVISIONS.—Subsection (b) of section 6157 of such Code is amended to read as follows:

"(b) COMPUTATION OF TAX.—The tax for any calendar quarter or other period referred to in paragraph (1) or (2) of subsection (a) shall be determined without regard to paragraph (1) of section 3301(a)."

(c) EFFECTIVE DATE.—Subject to section 511, the amendments made by this section shall apply to remuneration paid after December 31, 1992.

SEC. 513. COST ESTIMATE.

The applicable cost estimate of this Act for all purposes of sections 252 and 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be as follows:

For fiscal year:	Increase in outlays:	Increase in receipts:
1992	$5,515,000,000	$0
1993	$392,000,000	$2,004,000,000
1994	$120,000,000	$3,249,000,000
1995	$120,000,000	$874,000,000

SEC. 514. TREATMENT UNDER PAY-AS-YOU-GO PROCEDURES.

(a) FINDINGS.—The Congress finds that—

(1) over fiscal years 1992 through 1996, the total increase in receipts resulting from the provisions of this Act exceeds the total increase in outlays resulting from the provisions,

(2) in fiscal year 1992, increased outlays exceed increased receipts because of the current recessionary economic conditions in the United States, and

(3) due to such economic conditions, the provisions of this Act are of a type which would constitute emergency requirements within the meaning of section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(b) BUDGETARY TREATMENT.—Notwithstanding section 513, any amount of new budget authority, outlays, or receipts resulting from the provisions of (and amendments made by) this Act shall not be considered for any purpose under the Balanced Budget and Emergency Deficit Control Act of 1985.

Subtitle C—Additional Provisions

SEC. 521. EXEMPTION OF FEDERAL SUPPLEMENTAL COMPENSATION FROM SEQUESTRATION.

Payments under title I of this Act (relating to Federal supplemental compensation program) shall be exempt from any order issued under part C of the Balanced Budget

and Emergency Deficit Control Act of 1985 for fiscal year 1992 or any succeeding fiscal year.

The CHAIRMAN. Pursuant to the rule, the gentleman from Illinois [Mr. ROSTENKOWSKI], will be recognized for 15 minutes and a Member opposed will be recognized for 15 minutes.

Is the gentleman from Texas [Mr. ARCHER] opposed to the amendment?

Mr. ARCHER. I am, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas [Mr. ARCHER] will be recognized for 15 minutes.

The chair recognizes the gentleman from Illinois [Mr. ROSTENKOWSKI].

Mr. ROSTENKOWSKI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of my amendment to H.R. 3040 that would comply with the pay-as-you-go requirements enacted in last year's budget agreement, and pay for the 5-year cost of the bill.

My amendment would give the President the full range of options that were contemplated in last year's budget summit agreement.

If the President signs the bill, the pay-as-you-go requirements could be satisfied by raising sufficient additional Federal unemployment taxes. Alternatively, the President could declare an emergency and pay for the bill with the $8 billion reserves in the unemployment trust fund. The President is given the choice, and can choose the option he deems most fiscally responsible.

If the President chooses additional unemployment taxes, the Federal unemployment tax rate would gradually drop from its current 0.8 percent to 0.2 percent in 1996 and thereafter. At the same time, the taxable wage base would rise from the current $7,000 to the same level as the Social Security wage base, projected to be $58,800 in 1993. No additional State unemployment taxes would result because the Federal unemployment wage base would be decoupled from State tax bases. Over the 5-year projection period, this amendment would raise about $6.5 billion, enough to fully cover the cost of the bill.

If, on the other hand, the President declares an emergency, the additional taxes would not take effect. The Federal unemployment tax rate would stay at 0.8 percent and the wage base would remain at $7,000. The cost of the bill would be covered by $8 billion previously paid into the unemployment trust fund for extended benefits.

Mr. Chairman, the House must make some tough decisions here today. But this will not be the last tough vote we are asked to cast. The vote we are about to cast will set a precedent for future votes on equally compelling issues. Clearly, we all want to help unemployed workers. Not so clear is our commitment to last year's budget summit agreement. In my opinion, we should stick to the pay-as-you-go principle and give the President the option to do the same. In either case, we will have complied with the budget summit agreement and the pay-as-you-go principles, and can provide much needed unemployment benefits to millions of American workers and their families.

Mr. Chairman, I reserve the balance of my time.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the amendment.

Although I commend Chairman ROSTENKOWSKI for what—on the surface—is an attempt to make this bill comply with last year's budget agreement, I cannot support his amendment.

I say "on the surface" because while the amendment is deficit neutral over 5 years, it increases the deficit by $5½ billion in 1992.

I respect his personal commitment to fiscal responsibility, though his amendment falls short of meeting his own goal of compliance with the budget agreement.

But my opposition is not based on that timing discrepancy. It's far more basic.

We do not need a tax increase—and particularly we don't need a tax increase to pay for something that—in my opinion—is not necessary.

During yesterday's debate on the underlying bill, a number of our colleagues offered a host of reasons why the creation of a new permanent extended benefits program is unnecessary at this time.

Those who have looked at the history of unemployment—and particularly at congressional response to changes in unemployment—realize that we have never in the past considered a 6.8 percent rate to constitute an emergency.

In fact, today's 6.8 percent unemployment rate is three-tenths of a percent lower than the level of unemployment during 2 years of the Carter Presidency.

That's when Democrats controlled both the House and Senate—and the White House. Why did the majority fail to declare an emergency then.

If they are now calling 6.8 percent an emergency, what word do they use to describe the 9 or 10 percent levels of unemployment that historically prevail when Congress votes for additional benefits?

There's another historic aspect to the chairman's amendment—the perhaps unprecedented delegation of authority for the President to choose between a $6.4 billion tax increase or declare an emergency and spend an equal amount of money without paying for the benefits.

That raises some interesting prospects for future tax bills—and perhaps a convenient way out of our scorekeeping dispute over capital gains rate reductions and other dicey issues.

Adoption of this amendment would be an admission on the part of the majority that you can't make up your minds whether to pay for your spending excesses or not.

The notion of throwing that decision into the lap of the President is an incredible abdication of congressional prerogatives.

Yes, I do respect Chairman ROSTENKOWSKI's motivations in offering his amendment.

I do not, however, feel compelled at all to join him in an effort to abdicate our congressional responsibilities and propose a massive tax increase on a struggling economy to fund an untimely expansion of Federal spending.

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Mr. Chairman, I reserve the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Chairman, I appreciate the chairman yielding me this 1 minute. I rise in support of his amendment.

I think the gentleman from Illinois has been a leader in this Congress in the lonely battle of trying to bring some fiscal responsibility to our deliberations, taking very strong and courageous stands as the gentleman is taking today.

It does seem to me very clear that if we too quickly abrogate the 1990 budget agreement, and if we too quickly declare emergencies and in effect skirt the caps and limits which we imposed upon ourselves by that 1990 act, then we of course are not exercising fiscal discipline, we are not exercising the fiscal discipline that we must if we ever are going to extricate ourselves from these terrible budget deficits. I am not happy we have reached this particular position in the sense that no one wants to talk about increased payroll taxes of any sort.

But in any event, this is the only way we can measure up to the task given us by the 1990 act, and I rise in support of the gentleman's amendment.

Mr. ARCHER. Mr. Chairman, I reserve the balance of my time.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. DOWNEY].

Mr. DOWNEY. Mr. Chairman, once again we see the Republicans adopting a strategy from contemporary culture. This time it is the "Saturday Night Live" personality, Roseanne Roseannadanna, made famous with the idea that it was always something that was wrong with your proposal. Members recall yesterday the Republicans said that the declaration of the emergency violated the budget act, even though the chairman of the committee disagreed with that. Then they went on to say that if the violation of the budget act was not bad enough, then it was the

fact that we were going to spend $6.2 billion and increase the deficit which would cost jobs and hurt the economy. Also untrue, but also another reason to be opposed to it.

Now today the chairman of the committee, trying to live within the strict requirements of the budget act, comes up with a plan that will give the President additional discretion and follow the exact letter of the budget act by providing for a base broadening payroll tax increase that will finance the cost of this unemployment bill, not hurt the economy, provide $6 billion in stimulus and make sure that the trust fund in the future years will be solvent so that in the event that this recovery does not last a long time, and we are plunged back into a recession, that we will have the money to pay extended unemployment benefits. This is the responsible position to take. It will lower the tax on small business, not increase it, and in my opinion it is richly to be supported so that the President will be given additional options. He can declare emergencies, he can trigger taxes, or if he chooses he can veto the bill, but it is clearly in our interest to make sure that the trust fund is put in a position in future years so that we have the money to pay benefits.

Please support the Rostenkowski amendment to keep this fund viable.

Mr. ARCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, this amendment is truly the spend and tax amendment, because the Democrats have now come up with a new spending plan that they want to have the country adopt and force upon the President. Now they are talking about raising the revenues necessary in order to take care of their spending.

I suppose that they can regard that as the responsible thing to do. But the fact is that when you raise taxes you charge a price to the economy, and taxes are not revenue sources. They are a price to the economy. They are a price taken out of the economy.

Just an interesting little figure that I came across the other day, and that is that if you take $1 and you double that $1 over a period of 20 years, doubling it each year, you end up at the end of that 20 years with $1 million. However, if you add a 35-percent tax rate to that period of time, you end up with a total of $24,000 at the end of 20 years. In other words, the 20-year total of cost to the economy in that kind of a scenario is over $975,000.

I would suggest that that is the price that we do not want to exact, particularly out of small business employers. And that is the other interesting thing about this particular amendment. This amendment goes to the people who the Democrats regard as rich.

Consistently, they tell us that when we talk about lowering capital gains tax rates you cannot do that because the benefits go to the rich. The reality is that the benefits in capital gains tax reductions go to small business entrepreneurs across the country. In this particular instance, what they are doing is not only holding up capital gains taxes, which they refuse to lower because they think that somehow that is economic madness, but in this particular case what they are now saying is not only should we retain an unacceptable capital gains rate, but we ought to raise the taxes on small business even further.

So this particular amendment would say to small business employers there is a cost to you, folks, there is a big price you ought to pay, and that is to bail out the economy.

And why is the economy in this shape? Because the Democrats last year decided that they wanted to destroy economic growth, and so they insisted as part of the budget process on tax increases. They got their victims, and now they are trying to figure out a way to tax them.

All this amendment does is figures out additional taxes to put on small business to pay for the victims of last year's budget deal.

I would suggest that this is not a responsible course of action. It may be regarded as responsible if you think that we should raise spending in this manner. It is not responsible though in terms of the economy. The economy will pay another tremendous price for having raised taxes, and that tremendous price will be a deeper recession instead of coming out of recession, more people will lose their jobs because the tax burden will be even greater.

I would suggest what this House ought to be considering today is ways of creating jobs, not ways of creating more spending and more taxes in order to fund people who have been victimized by Democratic spending in the past.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. PEASE].

Mr. PEASE. Mr. Chairman, I rise in support of the amendment of my colleague and chairman, the gentleman from Illinois [Mr. ROSTENKOWSKI], and commend him for offering it.

I have been a longtime supporter of extended benefits for unemployment compensation. It was 9 years ago that I first introduced legislation to, on a permanent basis, create extended benefits.

This proposal before us today is a very modest one compared with what ought to be done and a temporary one, but it is, nonetheless, very much worthy of support considering the hundreds of thousands of Americans who, through no fault of their own, are unemployed and remain unemployed. But good as this bill is, there are budget concerns with the bill as it comes before us on the floor today.

It does not pay for itself and, therefore, would add to the deficit if President Bush signs the bill. The amendment offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] takes care of that problem and makes this bill conform to the budget agreement of last October and, therefore, I heartily support it.

This bill, if the amendment is approved, will serve unemployed Americans two ways. One, it will extend their benefits which they need, but, second, it will do so without increasing the deficit and thereby putting an additional drag on the economy.

Americans who are unemployed need benefits now, but they need employment in the future, and we should not be increasing the deficit and thereby putting a drag on the economy, making it difficult to create and extend jobs in the future.

The gentleman from Illinois [Mr. ROSTENKOWSKI], as usual, is showing a very responsible posture in supporting this amendment. I urge the other Members to support it as well.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Chairman, I rise to call attention to the amendment, but also to talk about the bill itself.

First, George Bush said this bill is not needed because the recession is over. Many claim it will bust the budget because too many people would need the help.

Then the President signs an earlier bill, but kills the money by saying American joblessness is not an emergency. This is the same President who said the Kurds were an emergency, who said the savings and loans were an emergency. There was for them enough money in the budget.

Well, I am asking Mr. Bush to answer this question tomorrow when he visits my State of Oregon for a $1,000-a-plate dinner: If the Kurds are an emergency and the S&L's are an emergency, why are not 40,000 Oregonians an emergency?

That is how many Oregonians have exhausted their unemployment benefits, 5,000 of them since mid-July. In Lane County, the heart of timber country, 100 people a week are running out of help. In Jackson County, 70 people a week are getting their last unemployment check.

Mr. Chairman, it is time that the people became one of this administration's leading economic indicators.

Let us put this bill back on George Bush's desk.

Mr. ARCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. GINGRICH], the minority whip.

Mr. GINGRICH. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, let me just say that I think this amendment draws very starkly the difference between the party of unemployment and the party of employment.

To propose a tax increase in the middle of a recession and a tax increase which is essentially a tax on labor, a tax on work, and a tax on jobs, I think, is the most destructive possible policy, to suggest that what we ought to do is raise taxes and vote for more taxes and taxes on work. Remember, the unemployment tax is specifically a tax on labor. This is not anything indirect. This is not anything fancy and complicated. This is a question: Do you want to charge more for poeple to have the right to work?

Unfortunately our friends in the Democratic leadership seem absolutely committed to raising taxes during a recession when this is precisely the time you ought to be cutting taxes. I do not know of any economic philosophy, neither Keynesian philosophy, nor supply-side philosophy, not Milton Friedman, and I do not think even the most left-wing economist in America would argue seriously that in the middle of a recession you ought to significantly be involved in raising taxes, and yet this amendment includes a tax increase.

There is one particular analysis which was prepared for the gentleman from Texas [Mr. ARMEY], the ranking Republican on the Joint Economic Committee, which came out just this month which suggests that there is a substantial job loss involved in raising the unemployment tax.

The estimate, for example, and our colleague from Oregon just got up a minute ago and was telling us about his concerns for Oregon, and yet this study suggests there will be a significant number of jobs lost in the State of Oregon. In fact, it suggests there will be 170 fewer jobs per congressional district in Oregon with this tax increase.

We went to the Committee on Rules and we tried to get an Economic Growth Act made in order to be added to this bill which would have cut taxes and increased jobs by about 1 million. I would have said to my friend from Oregon that we want people to have a job. We think having a job is better than getting an unemployment check. We think you should bring some legislation to the floor that creates jobs.

Just to take another couple of examples, California would lost 13,000 jobs, according to this estimate under this tax increase, and that is 307 jobs per congressional district. My home State of Georgia would lose 2,340 jobs, and that is 234 jobs per congressional district under this. Missouri, to take another example, would lose 1,826 jobs. That is 203 jobs per congressional district.

I do not see why any Member of the House would vote to raise taxes in the middle of a recession to kill jobs, and I would hope that this House would decide, instead, to insist that we bring an Economic Growth Act to the floor and to insist that we become a place that is concerned about employment, not unemployment.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. GEPHARDT], the majority leader.

Mr. GEPHARDT. Mr. Chairman, first, let me commend the chairman of the committee, the gentleman from Illinois [Mr. ROSTENKOWSKI], and the chairman of the subcommittee, the gentleman from New York [Mr. DOWNEY], for the tremendous hard work that they and the members of the committee have done to bring this bill to the floor now for the second time to try to get the President to agree with an overwhelming majority in the Congress that we should be extending benefits for people who are unemployed, people who have paid into this insurance program over the entire lifetime of their employment so that they can continue to look for work, they can go to school to try to become retrained, they can become again active in the economy of the United States.

The administration, the President, some Members of the Congress do not want this bill debated. They do not want it to come up.

When I hear Members on the other side say that by this amendment we want to tax people, there are some important facts that are left out. This tax does not start if the amendment passes, and I hope it will, until 1993. There is plenty of money in the trust fund to pay these benefits.

But why do we bring up this amendment? We bring it up because we believe there is another indication in economics. It is called fiscal responsibility.

My friend from Pennsylvania talked in disparaging terms about the budget agreement of last year that his President, our President, asked the Congress to engage in, and we did. We came up with a program of spending reductions and, yes, tax increases, unfortunately too heavily on the middle class, but it was the best we could do, because we wanted fiscal responsibility.

Part of making this economy work is stopping the Federal Government from borrowing all the available capital.

□ 1000

Also part of making this economy work is allowing people to get the benefit of their hard labor in the past terms of contributions they have made to the unemployment fund. This is not welfare. This is not a handout. This is the payment of insurance, just as you pay into an insurance fund if your house burns down or you wreck your car or you get sick, you get the benefit of those previous payments. That is what this is about.

The chairman by this amendment is simply trying to say that if the extension is given and if the payments are made and if there is a problem with the fund in 1993, we will change the tax to make it more progressive and to replenish those funds, as we have always done in the past.

I will end with this. Forget all the statistics. Forget all the arguments and just keep in your minds the woman that I am sure you have met that I met here a couple weeks ago who had worked as a cleanup person in a hotel for 30 years, a black woman who had worked for 30 years as a cleanup person, had never been out of work and has been out of work because her hotel closed last year. She looked me in the eye and said:

> Mr. Congressman, I paid these taxes to this fund and now I would like to have the benefit of these extended benefits until I can find a job and I can continue supporting my four kids.

That is what this is about. Make no mistake about it, it is that flesh and blood American out in front of us who has paid these taxes and earned these benefits and now we must pass this bill and ask George Bush to join us, either as an emergency or putting the tax in place in 1993 to help that woman and those like her to get back to work.

Mr. Chairman, let me commend Chairman ROSTENKOWSKI and Chairman DOWNEY for the great job they have done on this legislation, for the administration, and its allies in Congress, did not want this bill debated at all.

This legislation reminds Americans that a decade of policies favoring the rich is behind us, another Republican recession is upon us, and years of no growth or slow growth may be ahead of us.

It reminds us that 8.5 million Americans have lost their jobs.

It reminds us that working Americans are paying more in taxes, receiving fewer Government benefits, and experiencing stagnant or dropping incomes.

Now is time to invest in our workers because prosperity in the homes of middle-income families is now understood to be the foundation of national prosperity and national economic strength.

For starters, this means paying unemployment benefits to the jobless workers who have earned them.

While President Bush wants to keep this money in Washington, we believe the money in the trust fund belongs to the unemployed people who paid for these benefits.

He wants to kill the checks, we want to mail the money to the people to whom it is owed.

The amendment before us puts this legislation on a pay-as-you-go footing by actually reducing the tax rate on employers, while broadening the tax base.

This amendment gives President Bush the option of either paying for the cost of the bill or declaring an economic emergency—a tactic he has used to fund disaster programs overseas. I believe the pay-as-you-go amendment represents good policy, and I intend to support it.

But make no mistake.

However Members choose to finance the bill, a recession and high unemployment constitute as grave an emergency in Missouri and Michigan and Florida as the calamities to which America has responded abroad.

Fewer people are working today than on Inauguration Day in 1989. On that day, President Bush promised to use his power to help people.

Today, we can give him the power he needs to help the American people weather the recession he and his economic policies helped create. In the days ahead, we can turn our attention to the progrowth policies we must adopt to catch our allies in the international economic competition.

I urge support of the amendment and the legislation before us.

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 1 minute to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Chairman, I rise in support of this amendment and again commend the chairman and the subcommittee chairmen for their action. This is the right thing to do.

If, in fact, there is a temporary emergency and it is necessary to increase benefits, the President has the means under this bill to do so. If, in fact, it is not temporary and there is a necessity to permanently increase benefits, we have an obligation to find a means of paying for it.

Today I must express my desire to extend unemployment benefits to American workers in a fiscally responsible manner. I voted affirmatively for the extension of unemployment benefits on August 2nd because that measure represented a temporary response to the effects of the recession. In accordance with the Budget Enforcement Act, this temporary extension of benefits would have been declared emergency spending if both Congress and the President agreed to such a declaration. However, on August 17, the President declared that emergency spending was not needed.

If the unemployment benefits insurance system must be permanently changed, as this bill attempts, then we must comply with the pay-as-you-go provisions of last fall's budget agreement by cutting entitlement outlays or raising revenues. Unemployment benefits are essentially insurance benefits that protect individuals against sudden changes in employment status. I know of no insurance company which will permanently increase the benefit without increasing the premium.

Chairman Rostenkowski's amendment to H.R. 3040, the Unemployment Insurance Reform Act, is the most appropriate way to comply with the pay-as-you-go rule. The current unemployment tax is particularly burdensome on small business since it imposes a tax only on the first $7,000 of each employee's wages. The amendment is more progressive because it reduces the tax rate to .2 percent for the first $58,000 of employees' wages. This spreads the burden more evenly. The Chairman's amendment complies with the pay-as-you-go rule for entitlement programs. Without Chairman Rostenkowski's amendment or a declaration of emergency spending from the President, I cannot support the Unemployment Insurance Reform Act.

Mr. ARCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is interesting to listen to this debate. My colleague, the gentleman from New York, the chairman of the subcommittee, said that the chairman's amendment today strictly adheres to the budget agreement. I must point out that that is not accurate.

In my preliminary comments, I noted that it would create over a $5 billion deficit in the first year in 1992. That does not live up to the terms of the budget agreement. It would normally under the budget agreement require sequestration in the year 1992. So we should get the facts out before the people.

There is a seductive appeal to the majority's legislation, no question about it. There is a seductive appeal to spend money in many categories. That was understood when we went through the trauma of the budget negotiations last year, and there was a specific provision put into the budget agreement to resist those seductive appeals, and here we are already trashing the budget agreement, even in the first year of the chairman's amendment, trashing the budget agreement, and the American people should understand that; and yet we are doing it in a way to take what is currently an insurance benefit, to expand it for people who paid a lower premium and to put a higher premium on future generations to pay for it to make it revenue neutral in the 5-year period. That higher premium, a payroll tax, one of the most regressive taxes in this country and certainly a job deterrent which will cost jobs to Americans in the future is a part of this amendment; so we should see it for what it is, yes, an effort at greater responsibility than is in H.R. 3040, but nevertheless one which does not meet the strict requirements of the Budget Act and the budget agreement of last year.

Mr. ARMEY. Mr. Chairman, will the gentleman yield for a moment?

Mr. ARCHER. I am happy to yield to the gentleman from Texas.

Mr. ARMEY. Mr. Chairman, let me just say very quickly, I had the Republican Staff Joint Economic Committee do a study of what would be the employment impact of this tax. I can tell you that should this tax be enacted, it would result in over 100,000 jobs being destroyed, remembering that this is a tax on the job, not on the employee. That 100,000 jobs destroyed would result in over 200 jobs lost in every congressional district in America.

Now, the fact of the matter is there is not a Member of Congress if told that a firm would shut down or lay off 200 employees would not be upset, concerned and go to bat for those 200 employees who would be losing their jobs in their districts.

Now, in this case we are talking about enacting a tax that would get the same results.

Now, furthermore, if in fact you increase unemployment by over 100,000 people, most likely most of these unemployed people in the higher paying jobs, since that is where the tax has the greatest impact, that of course is going to be that much more of an increased demand for unemployment compensation.

Now, I see in section 501 of the bill the committee has dictated to the scorekeepers what will be the cost of implementing these extended benefits should the law be enacted. I wonder if the committee in making that calculation including what would be the additional cost of unemployment compensation benefits and extended benefits as well of the additional over 100,000 people who would be put out of work by the tax itself.

Now, some people say, well, that is hypothetical. We said the same thing last year when we speculated about what would be the real impact on the lives of real working men and women of the luxury taxes, and we said that if you tax something, increase the price of something, the cost of it, people will buy less of it. It is a fundamental irrefutable law of economics, and sure enough, we saw this. So with the imposition of the luxury tax, we have documented highly trackable data that shows the job loss, thousands of jobs, in those affected areas; so I would say this is not hypothetical. The job loss will follow and it is my guess if in fact the scorekeeping practices employed here by the committee are at all like what we have seen around here, there has been no calculation; so the upshot of this is that we will take in less tax revenues than what was anticipated by this tax. Our unemployment benefits costs will go up more than anticipated, and the size of the deficit will be even greater.

□ 1010

Mr. ROSTENKOWSKI. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. PANETTA].

Mr. PANETTA. Mr. Chairman, I rise in support of this amendment, not be-

cause it is popular or easy, but because it is fundamentally right. This amendment marks the difference between those who will always curse the darkness, always find any excuse to do anything to address this Nation's problems and those who are trying to deliver benefits to those in need.

This is right for three reasons. The first, Mr. Chairman, is that it takes the President at his word. He said this is not an emergency, but he said at the same time that he would accept a responsible approach that pays for these benefits. This amendment provides a responsible approach for paying for these benefits. It challenges the President to tell the American people whether or not he truly supports unemployment compensation for the long-term unemployed.

Second, Mr. Chairman, the amendment provides the ability to pay for the permanent changes it makes in the law. What we are doing here today is making permanent changes in the law, not just temporary changes, and, if we are going to make permanent changes in benefits, then we ought to provide a permanent way to pay for it. This amendment does that.

Last, it is right because it follows the fundamental budget discipline of paying for new spending.

Mr. Chairman, it drives me crazy that there are those who now embrace the budget amendment and yet run from it every time they are asked to have the courage to, in fact, pay for the benefits that we are providing. I wonder, I wonder, if there will ever be, ever be, a program they will think is worth paying for. Transportation; Members run from a gas tax. Health care reform; they will run. Unemployment; they are running. And even in the minority party's proposal for a $27 billion tax cut over 5 years, there is not one thing in it about how or even whether it is to be paid for.

Mr. Chairman, this amendment is a fundamental test of our credibility, whether we want to make just a political statement or whether we want to deliver the benefits to those in need.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. ROSTENKOWSKI].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. ARCHER. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present. Pursuant to the provisions of clause 2 of rule XXIII, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the pending question following the quorum call. Members will record their presence by electronic device.

The call was taken by electronic device.

The following Members responded to their names:

[Roll No. 263]

Abercrombie
Ackerman
Allard
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Beilenson
Bennett
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Broomfield
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carper
Carr
Chandler
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Costello
Coughlin
Cox (CA)
Cox (IL)
Coyne
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Dixon
Donnelly
Dooley
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Early
Eckart
Edwards (OK)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Ewing
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Foglietta
Ford (TN)
Franks (CT)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Goss
Gradison
Grandy
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hancock
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Hertel
Hoagland
Hobson
Hochbrueckner
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Inhofe
Ireland
Jacobs
James
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Jones (GA)
Jontz
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Klug
Kolbe
Kolter
Kopetski
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
LaRocco
Laughlin
Leach
Lehman (CA)
Lent
Levin (MI)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Long
Lowery (CA)
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCrery
McCurdy
McDade
McDermott
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Moran
Morella
Morrison
Murphy
Murtha
Myers
Natcher
Neal (MA)
Neal (NC)
Nichols
Nowak
Nussle
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (UT)
Oxley
Packard
Pallone
Panetta
Parker
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Petri
Pickett
Porter
Poshard
Price
Pursell
Quillen
Ramstad
Rangel
Ravenel
Ray
Reed
Regula
Rhodes
Richardson
Ridge
Riggs
Rinaldo
Ritter
Roberts
Roe
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rostenkowski
Roth
Roukema
Roybal
Russo
Sabo
Sanders
Sangmeister
Santorum
Sarpalius
Savage
Sawyer
Schaefer
Scheuer
Schiff
Schroeder
Schumer
Sensenbrenner
Serrano
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Smith (TX)
Snowe
Solarz
Solomon
Spence
Spratt
Staggers
Stallings
Stearns
Stenholm
Stokes
Studds
Stump
Sundquist
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Thomas (GA)
Thomas (WY)
Thornton
Torres
Torricelli
Traficant
Traxler
Unsoeld
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Waters
Waxman
Weber
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wyden
Wylie
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

□ 1035

The CHAIRMAN. Three hundred ninety-three Members have answered to their names, a quorum is present, and the Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Texas (Mr. ARCHER) for a recorded vote.

A recorded vote was ordered.

The CHAIRMAN. Members will have 5 minutes on this vote.

The vote was taken by electronic device, and there were—ayes 65, noes 341, answered "present" 1, not voting 25, as follows:

[Roll No. 264]

AYES—65

Abercrombie
Aspin
Beilenson
Bennett
Borski
Carper
Cooper
Coyne
Dixon
Downey
Early
Edwards (CA)
Fazio
Foglietta
Gephardt
Gibbons
Gonzalez
Goodling
Green
Guarini
Hamilton
Hoagland
Jefferson
Jontz
Kanjorski
Kennelly
Kildee
Kleczka
Kopetski
Kostmayer
Lewis (GA)
Lipinski
Martinez
Matsui
Mazzoli
McCloskey
McDermott
McGrath
McHugh
Mrazek
Olin
Orton
Panetta
Pease
Pelosi
Penny
Petri
Pickett
Rostenkowski
Roth
Roybal
Sabo
Sanders
Scheuer
Serrano
Solarz
Swift
Traxler
Unsoeld
Vento
Visclosky
Washington
Waxman
Weiss
Wheat

NOES—341

Ackerman
Allard
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)

Annunzio
Anthony
Applegate
Archer
Armey
Atkins
AuCoin
Bacchus
Baker
Ballenger
Barnard
Barrett
Barton
Bateman
Bentley
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Bonior
Boucher
Boxer
Brewster
Brooks
Broomfield
Browder
Brown
Bruce
Bryant
Bunning
Burton
Bustamante
Byron
Callahan
Camp
Campbell (CA)
Campbell (CO)
Cardin
Carr
Chandler
Chapman
Clay
Clement
Clinger
Coble
Coleman (MO)
Coleman (TX)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Costello
Coughlin
Cox (CA)
Cox (IL)
Cramer
Crane
Cunningham
Dannemeyer
Darden
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Derrick
Dickinson
Dicks
Donnelly
Dooley
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Durbin
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Hayes (IL)
Hayes (LA)
Hefley
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Hubbard
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Hyde
Inhofe
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Jacobs
James
Jenkins
Johnson (CT)
Johnson (SD)
Johnson (TX)
Jones (GA)
Kaptur
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McMillan (NC)
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Miller (CA)
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Moody
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Morella
Morrison
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Neal (MA)
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Nichols
Nowak
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Payne (NJ)
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Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roukema
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Santorum
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Slaughter (NY)
Smith (FL)
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Stenholm
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Stump
Sundquist
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Synar
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Taylor (MS)
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Vander Jagt
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Walker
Walsh
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Whitten
Williams
Wilson
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Wolf
Wolpe
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Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

ANSWERED "PRESENT"—1

Dingell

NOT VOTING—25

Alexander
Berman
Doolittle
Dymally
Ford (MI)
Herger
Holloway
Hopkins
Hunter
Johnston
Jones (NC)
Lantos
Lehman (FL)
Levine (CA)
Lewis (CA)
Lloyd
Marlenee
Owens (NY)
Pickle
Rahall
Rowland
Saxton
Slaughter (VA)
Thomas (CA)
Yatron

□ 1048

Messrs. MINETA, SAVAGE, CONYERS, DELLUMS, POSHARD, BILBRAY, and ROE changed their vote from "aye" to "no."

Mr. OLIN and Mr. McCLOSKEY changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. FORD of Michigan. Mr. Speaker, I was unavoidably detained on rollcall vote No. 264.

Had I been present, I would have voted aye.

Mr. ANDERSON. Mr. Chairman, I rise in support of H.R. 3040.

Our country faces its highest unemployment rate in the last 5 years. Over 8.5 million Americans, unemployed through no fault of their own, are unable to find a job. During this emergency, our unemployment insurance program has failed to provide a safety net for the American worker. A record 350,000 Americans exhausted their benefits in July, and only 5 percent of these people were eligible for extended benefits. Mr. Speaker, it is time for Congress to pass this much needed legislation to help working Americans get back on their feet again.

The Congress passed legislation on August 2 declaring the unemployment situation as an emergency. This legislation would have extended benefits for up to 20 weeks, and for a minimum of 5 weeks if the national unemployment rate was at least 6 percent. Although President Bush signed the bill, he did not declare the situation to be an emergency, thus voiding the bill's contents. While foreign lands, such as Kurdistan, Bangladesh, and Kuwait, have received emergency funds this year, the American worker has been ignored.

The President will not declare this domestic problem as an emergency because of reports that the economy is recovering. While the economy has shown signs of increased growth, this recovery has been a slow one. Furthermore, most economists agree that employment levels will not significantly improve for at least 6 months. For example, California's unemployment rate has climbed to just over 8 percent. Passing this legislation would aid these workers and their families with 20 additional weeks of unemployment benefits.

Extending these benefits will ensure that the American worker has the security to be a part of our economic recovery. For this reason, I rise in strong support of H.R. 3040 and hope that the President will recognize this domestic emergency.

Mr. SERRANO. Mr. Chairman, I rise in strong support of the bill, H.R. 3040, to help the thousands of men and women in the unemployment lines around this Nation.

I know in my State of New York alone there are thousands of people who were once employed, working for a living and paying taxes, but who have lost their jobs because of a recession that for them has not relented. As of July, 1991, 32,358 persons in New York State have exhausted their State unemployment compensation benefits, according to the U.S. Department of Labor.

Despite what economists in pinstripe suits are telling the White House, and thence the President telling us, times are not getting better. Large populations without jobs are in desperate need of assistance through employment compensations and their payment extensions.

So that those people who want to carry their own weight can do so, we need to create an economic atmosphere wherein the creation of new jobs is seen as vital. We need to help these people get back in the work force. My district, the poorest in the Nation, definitely needs added assistance. Through demonstration job search assistance programs and extended benefits when times are hardest, we can help them. Times are hardest now.

People do want to work, but until there are jobs for them, they will need help. H.R. 3040 is bold and addresses this crisis.

Mr. KLECZKA. Mr. Chairman, today the House meets again to address the plight of unemployed workers in the United States, a plight which is the result of the economic policies of the 1980s. These policies encouraged debt-loading through mergers and takeovers by businesses and borrow-and-spend tactics by the Federal Government. Both have shortchanged the American worker.

The Government has a responsibility to help the unemployed work force during this uncertain period so these Americans can keep the homes and possessions they have worked so hard to acquire. When the economy moves slowly or stagnates for an extended period, and when firms do not hire for an extended period, then clearly there will be an extended period of unemployment. That is the reality, but our unemployment policies do not do enough to address extended rates of unemployment. We must respond to the needs of 8.5 million unemployed workers.

H.R. 3040 is similar to legislation we passed this summer (H.R. 3201). It extends benefits to those who have or will soon exhaust their 26-week benefit payments. Based on higher rates of unemployment in some States, the number of weeks of supplemental benefits are greater (up to 20 weeks) if the unemployment rate is higher. Unlike the previous bill, however, the President cannot approve the legisla-

tion and then refuse to fund it. If the President approves this measure, benefits will be payable.

Mr. Chairman, the United States helps its neighbors in need, even if that means declaring a budget emergency. Among those we have helped so far this year are the Kurdish refugees in Iraq and the disaster-stricken nation of Bangladesh. Both of these acts were approved by the President. But the neighbors in need I speak of today are not overseas, they are your next-door neighbors. We cannot turn our backs on working families.

Let us send the President legislation which will help struggling workers get through this difficult time. Support the Unemployment Insurance Reform Act.

Mr. HOUGHTON. Mr. Chairman, Ralph Waldo Emerson once said something to the effect that consistency is the mark of a small mind. Hobgoblin, I think, is the word he used. Well, I plead guilty. Because, despite the fact that I stand solidly behind a single-minded approach to deficit reduction (this whole sloppy, borrow-from-tomorrow technique is going to do us in), in this particular case I support the stretching out of benefits for the unemployed.

Will there be more pressure on the budget? Sure. Will there be "freeloaders" trying to abuse the system? Sure. But put into perspective, there are people out there who need help—the present unemployment insurance system is not working. And if there is one thing central government should do, it is to step into the breach periodically and help those who, through no fault of their own, cannot help themselves.

Although I vote today for a change on the extension in the unemployment insurance laws, tomorrow I plan to resume course and to fight, to cut, to reduce, to save so that we will avoid being swept over the Niagara Falls of deficit financing.

Mr. GUARINI. Mr. Chairman, I rise in support of H.R. 3040.

As chairman of the Budget Committee task force on urgent fiscal issues, I recently held hearings on the plight of the unemployed. Workers who have lost their jobs and run out of benefits related their own experiences. I wish I could capture on this floor today the same heartfelt anguish that these people expressed to me.

Unemployment is a frightening thought for someone who supports a family. It is even more frightening to run out of benefits without finding a new job.

And I'll tell you what else is frightening: The growing number of unemployed workers, the growing number of workers exhausting their benefits without finding new jobs, and the growing number of workers not receiving any unemployment benefits at all.

With a national unemployment rate approaching 7 percent, we now have over 8½ million people out of work. My district in New Jersey has been particularly hard hit, with an unemployment rate of over 10 percent.

Many more people are not even counted among the unemployed. This includes those no longer actively looking for work and those who have accepted part-time work as a poor substitute for suitable full-time work. These people could actually double the official unemployment rate.

Over 250,000 people each month are running out of benefits without finding new jobs. How can we callously tell these people that the Government doesn't care and can't provide additional benefits until they get back on their feet? We're talking about honest, responsible citizens who want to work but cannot find work because of the recession.

What's more, only 37 percent of unemployed workers actually receive benefits when they lose their jobs. In past recessions, as much as 65 percent of the total unemployed received benefits. There is something desperately wrong with a system that protects only one-third of all temporarily unemployed workers.

Yet the Bush administration insists that there is nothing wrong and refuses to declare an emergency to provide additional benefits to these desperate American workers. If the President can declare an emergency for the Kurds in Iraq and for Bangladesh, how can he turn his back on his own people?

Since the President won't declare an emergency, I rise in support of H.R. 3040, which automatically declares an emergency. There is no need to raise taxes to pay for the additional benefits because there is already an $8 billion surplus in the extended benefits trust fund. How can we deny additional benefits to people when there is money sitting in a trust fund collected specifically for this purpose?

I also support Chairman ROSTENKOWSKI's amendment to H.R. 3040, which gives the President the option of accepting the emergency declaration or of raising the Federal unemployment tax just slightly to cover the expected costs of the additional benefits. If the President wants to raise taxes instead of declaring an emergency, let him do so.

Mr. Chairman, providing additional unemployment benefits is not a handout. It is an investment in the American worker and in the American economy. By preserving the purchasing power of unemployed workers, we are really lessening the severity of the recession. We help everyone in the Nation at the same time that we restore the worker's dignity.

Mr. MURPHY. Mr. Chairman, today I rise in support of extension of unemployment insurance benefits for the victims of our current recession. Like many pressing issues, this crisis situation has been papered over by a President who governs by the old maxim "out of sight out of mind." Mr. Bush's "domestic agenda" has been repeatedly run over by the constantly moving wheels of Air Force One, as it taxis the President once more to destinations far from the realities of day to day American life.

Although many experts suggest that our economic downturn is over, the rising unemployment rate is proof that a turnaround has not yet arrived. It is a disgrace that 8.7 million American workers now find themselves without jobs.

In June, the unemployment rate rose to 7 percent. It has increased by 1.7 percentage points since the recession began last July. Most troubling, however, is that almost 1.2 million American workers have been without work for more than 26 weeks and are no longer eligible for unemployment benefits. Another 1.4 million workers have been unemployed for more than 15 weeks but less than 26 weeks. Many of these additional workers will soon join the ranks of those losing unemployment insurance benefits, even if the economy starts to recover. While many of these workers would like to jet off to other parts of the world like the President until the bad times subside, the cold, hard fact is that for the unemployed their greatest concern now is feeding families and paying bills.

In every economic downturn over the 50 years, Washington has stepped in and extended unemployment benefits beyond the initial 26 weeks for the majority of the long-term unemployed. At a time when almost 1.2 million workers have been unemployed for more than 26 weeks, the Unemployment Benefits Program currently provides assistance to fewer than 100,000 workers. This situation itself, is a case study in misapplied priorities. While we should exercise fiscal restraint with regard to many big Federal spending programs, hesitation in providing benefits to many desperately unemployed people has created a surplus in the program of nearly $7 billion.

This mockery should not be allowed to continue. I urge the President to act now to work with the Congress to enact legislation expanding eligibility for extended unemployment benefits assistance. Both the money and the need exist now, and I ask that you act promptly for the good of those hardest hit by the recession.

Mr. VENTO. Mr. Chairman, I rise today in support of H.R. 3040, the Unemployment Insurance Reform Act which would provide much-needed extended unemployment benefits.

Here we are yet again to deal with the issue on extended unemployment benefits that we thought we had already resolved, because the President refused to join with Congress to relieve the severe financial problems of thousands of American workers who are out of jobs and unable to find another in the tough economic circumstances that persist today. This time, however, the passage of H.R. 3040 will designate the expenditures in the bill as an "emergency" and remove any misunderstanding that may have persisted.

It is offensive to American workers that President Bush would fail to provide this limited protection for them when he has declared budget emergencies to provide aid to the Kurds and the people of Bangladesh and Turkey.

Last August, the workers in our Nation were left to deal with an extended benefits system which is inadequate for their needs which, unfortunately, only continue to grow; 350,000 jobless Americans ran out of benefits in July and only 5 percent of those were eligible for extended benefits. This despite the fact that the Federal Government now has more than $8 billion in the extended unemployment benefits trust fund.

President Bush has stated that the recession is nearly over. Well I am sure that this is less than reassuring for the 8.5 million people out of work in this country. Families cannot survive on such reassurances even from the President. American workers need less rhetoric and more concrete action today, Mr. Chairman, not tomorrow.

Mr. HERTEL. Mr. Chairman, I rise today in support of H.R. 3040, the Unemployment Insurance Reform Act. This legislation throws a

lifeline to millions of unemployed workers who, after 26 weeks of regular unemployment insurance, remain unable to find a job in this recession.

The House of Representatives demonstrated its support of the unemployed worker in August when it enacted the extended unemployment benefits bill. The plight of the unemployed was ignored, however, by an unsympathetic administration that refused to implement the bill. Presently, our unemployment problem is not greatly improved. The national unemployment rate has remained unchanged, and over 2 million jobless Americans have exhausted their benefits this year alone. Employment in my district has been especially hard-hit by the recession. The median unemployment rate for July was nearly 9 percent, 30 percent higher than the national unemployment rate. There are no indications that the situation will improve very soon, either. Therefore, it is mandatory that we pass this legislation that will help people weather this recession.

The people who are affected by this extended recession have been paying taxes their entire lives, in part to prepare for hard times like these. We cannot let them down by denying them the benefits they have already paid for. There is a great deal of talk about sending aid overseas, but our first priority is here. It's time we started helping the people at home.

Mr. FEIGHAN. Mr. Chairman, we have been here before. Last month, we passed a bill that deals with the problem of compensation for the long-term unemployed. Just about everybody in Washington—including most of both the House and Senate—supported that bill. Just about everybody—except the President that is.

He signed the bill, but he blocked its implementation. It saddens me that the President himself broke the national consensus on that unemployment measure. We shouldn't have to do this all over again. But because there are people out there who will soon exhaust their unemployment benefits—if they have not done so already—we must pass a stronger guarantee that they will get the unemployment benefits they deserve.

We must guarantee that working men and women, who have been thrown out of work in this ongoing recession, will still be able to provide for their families while they look for new work.

Last time around, the unemployment benefits extension bill was supported overwhelmingly on both sides of the aisle here in the House. But now I hear stiff opposition from the Republican side. What happened in the last 6 weeks? Why was there near-unanimous support at first, but not now?

Whatever the reason, I implore all my colleagues to hear their better sense. I urge them to think about the thousands of workers who are mere days away from exhausting their unemployment benefits. Think about their families.

We still owe it to millions of working men and women to ensure that they can provide for their families in hard times. Our debt to them has not changed. So why should anyone here in Congress who supported the benefits extension before change their vote this time? I strongly urge my colleagues to continue their commitment to millions of working Americans and pass this bill.

Mr. BORSKI. Mr. Chairman, I rise in strong support of H.R. 3040, the Unemployment Insurance Reform Act.

Mr. Chairman, in the past Congress has approved dire emergency funding bills for everything from droughts and hurricanes to foreign aid and wars overseas. Now is our chance to provide dire emergency funding for American workers and their families.

The recession we find ourselves in now is not over. Unemployment in America is 6.8 percent. Over 8.5 million Americans are out of work, 2 million more than a year ago.

In my hometown of Philadelphia, the unemployment figure stands at 7.1 percent. In addition, labor unions in Philadelphia report that up to 50 percent of their members are looking for jobs.

But these are not just numbers, not just statistics. They are real men and women and their families. They are my friends and neighbors, people I grew up with, people I see every day.

The people behind the unemployment statistics are not welfare cheats or lazy. They desperately want work, but can find none. They are out of work through no fault of their own.

Apparently, President Bush does not believe that there is an unemployment problem in this country. Last month, when the Congress sent him a bill to extend unemployment benefits, he signed it. However, he did not designate an emergency and release the money necessary for the extra benefits.

The President has reacted strongly to emergencies abroad. But for some reason, he has failed to react to emergencies here at home, emergencies that threaten the survival of American families.

I hope and pray that the President will recognize this emergency and sign this bill. I hope he will not let politics stand in the way of doing what is right for Americans left unemployed by this recession.

Because, Mr. Chairman, to the workers and families that have now exhausted their 26 weeks of unemployment benefits, the emergency is very real. More and more workers run out of benefits every day, more and more families face the prospect of empty dinner tables.

We have an obligation to end this domestic emergency. H.R. 3040 will take two steps toward that goal.

This legislation will automatically declare its expenditures as emergency spending and extend unemployment benefits by up to 20 additional weeks. Workers who have already depleted their benefits would receive at least 5 additional weeks of benefits, as long as the national unemployment rate is at least 6 percent.

H.R. 3040 will also permanently expand the extended benefits program and provide for full Federal financing. Under current law, only 13 additional weeks of benefits are available after the regular 26 weeks of unemployment compensation, and only half of that is financed by the Federal Government.

Mr. Chairman, millions of Americans who want to work cannot find a job because of this recession. The current extended benefits program is not working and American families are threatened. It is time we addressed this domestic emergency. I urge my colleagues to support H.R. 3040.

Mr. GAYDOS. Mr. Chairman, I rise today in support of H.R. 3040, the Unemployment Insurance Reform Act.

Over the past several months, the White House has been proclaiming continuously that one of the longest economic recessions in our Nation's history is at an end. Every day, Americans can witness the President or one of his trusted advisers preaching how strong the recovery is and that the United States is on the fast track back to economic prosperity.

Personally, I can tell you that there are at least 8.5 million unemployed American citizens who know for a fact that this country is not on the road to recovery, but is stalled on a long stretch of highway and they are being abandoned by the only help available—the Bush administration.

Currently, 1,175,000 Americans have been unemployed for 27 weeks or longer. In July alone, another 350,000 jobless Americans ran out of unemployment benefits and another 300,000 Americans lost jobs. Furthermore, since 1988 when President Bush assumed the Office of the Chief Executive, the unemployment rate has risen from 5.5 to 6.8 percent and the economy itself grew less than 1 percent. I cannot recall a time when economic growth has been so stagnant. Can any Member of this body rightly say that these figures portray a nation that is on the road to a strong economic recovery? These figures tell me that we have a President who lacks a domestic policy.

It is obvious to me that the hard-working people in the United States have been shortchanged by a President who is more concerned with emergencies in Bangladesh, Kuwait, Kurdistan, and Israel than the unemployment emergency existing in his own backyard. People in this country are needlessly suffering and I will not stand by and let this Presidential charade go on any longer. It is time for the Congress to take action and help relieve the pressures mounted on the backs of labor in this country. We must see through the smokescreen that the administration releases everyday in the media and push forward this important legislation declaring the economic emergency needed to release additional unemployment benefits.

Mr. Chairman, this country has slowly undertaken a path of deindustrialization. My own district has undergone a transition that has forced the jobs of 40,000 steelworkers to be reduced to barely 5,000 workers involved with the creation of steel, iron, and coke. We have gone through, and still experience high unemployment.

Now, much of the Nation is trying to avoid the pressures to lay off workers and dissolve existing jobs, but at the same time, it is happening. People are losing jobs, money, and livelihood. In August of this year, the Congress passed legislation to extend unemployment benefits, but the President did not want to recognize the need to help unemployed Americans and effectively pocket vetoed the measure. The President was coldhearted and wrong. Today, the U.S. House of Representatives has a chance to right the President's wrong.

We in the Congress must take a stand against the administration and pass the Unemployment Insurance Reform Act to help Americans stand on their own feet with dignity and respect. I urge all of my distinguished colleagues to support and pass this most important piece of legislation.

Mr. SCHEUER. Mr. Chairman, the legislation before us, H.R. 3040—the Unemployment Insurance Reform Act—would go a long way toward easing the plight of hundreds of thousands of our Nation's currently unemployed.

Last month, alarmed by the depth of the current recession, we in Congress passed legislation to provide extended unemployment benefits for long-term unemployed workers. Despite its overwhelming support in Congress, President Bush refused to declare the emergency required to implement the act.

Now, we are faced with more disturbing statistics. Nationally, unemployment remains around 7 percent, and in New York, it is 9.3 percent.

In a recession, it becomes harder to find work. When the ranks of the unemployed are swelled by the loss of 300,000 jobs per month, as occurred in August, it becomes even harder for those workers who are unemployed to find work. Yet current policy allows these American workers to run out of assistance before finding new jobs. In the month of July, a record 350,000 unemployed exhausted their benefits.

This bill would provide up to 20 weeks of additional benefits, depending on the individual State's rate of unemployment. It would insure its implementation by designating the necessary expenditures as emergency.

And it would enact a series of long-needed reforms in the unemployment insurance program and fund a demonstration program on job search assistance, an essential component of any response to our current recession.

I might add that unemployment insurance reform is only one part of the solution to our unemployment woes. As long as we lack effective programs that educate, train, and place unemployed noncollege youth, we will continue to experience unacceptably high unemployment rates. That is why I look forward to forthcoming amendments to the Job Training and Placement Act later this fall.

Mr. FORD of Michigan. Mr. Chairman, I rise today in strong support of the Unemployment Insurance Reform Act, the bill to extend benefits to our Nation's unemployed workers, and I urge the adoption of the Rostenkowski amendment, which would pay for this measure by increasing the Federal unemployment taxable wage base.

It has been 1 month to the day since the President, while vacationing in Maine, signed H.R. 3201—Congress's last unemployment relief bill—but refused to declare an emergency, effectively blocking the release of its benefits. Mr. Chairman, there may not be an emergency in Kennebunkport, Maine, but there is a dire emergency in the State of Michigan.

In the last month, the unemployment rate in my State has climbed from 8.3 percent to 9.1 percent, with over 30,000 people joining the 371,000 already unable to find work.

The number of WARN notices in Michigan, notices of plant closings and permanent mass layoffs, continued at a level that has long since surpassed the number of such notices Michigan had in all of 1990. Every notice means at least another 50 jobs gone—never to return.

While the President has been worrying about how the Soviets will survive the harsh Russian winter, I have been worrying about how my constituents will survive the harsh Michigan winter. While the administration has been occupied forgiving well over 1 billion dollars in debts owed by Senegal, Bolivia, and Bangladesh, thousands of unemployed Michiganders have been worried about their own mounting debts.

Despite what the administration would have us believe, the legislation we are considering today is not a quick fix or a budget-busting gimmick. It makes important, and much needed, changes in our country's unemployment insurance system. H.R. 3040 would repeal the current Federal-State Extended Benefits Program and replace it with a reworked Federal Supplemental Compensation Program. This new system would make benefits available for an additional 10, 15 or 20 weeks, depending on the jobless rate of each State, rather than the current insured unemployment rate. This legislation would also make these new extended funds available for some workers who have already exhausted their benefits, by insuring that these workers in all States would be eligible for at least 5 weeks of aid should the national unemployment rate reach 6 percent.

H.R. 3040 would also erase a terrible inequity, by increasing the unemployment benefits that veterans of Operation Desert Storm and other former service members could receive, from 13 weeks to 26 weeks. It further slashes the time our veterans must wait to be eligible for benefits after leaving the service. The bill also reduces the number of continuous days a reservist must serve on active duty from 180 to 90 in order to be eligible for unemployment insurance.

Mr. Chairman, I also urge my colleagues to support the Rostenkowski amendment to H.R. 3040. We cannot, in good conscience, only extend benefits; we must show our commitment by financing them as well. This measure would increase the Federal unemployment taxable wage base, beginning in 1993, from its current $7,000 to a level equal to the Social Security wage base, which will be approximately $58,000 in that year. At the same time, the Federal unemployment tax rate on employers would be reduced from the current 0.8 percent to 0.4 percent in 1993 and 1994, 0.23 percent in 1995, and 0.2 percent in 1996 and thereafter. This extension measure is too important to simply put on a credit card. We owe our unemployed workers a hand, but we also have a obligation to our children to be fiscally responsible by not adding to the deficit.

Mr. Chairman, the administration can claim that the recession is over, and that jobs are just around the corner. But that doesn't make it true, and it doesn't help the millions of American families who desperately need the help this bill provides. We have already waited too long to act. I urge my colleagues to pass this legislation.

Mr. STOKES. Mr. Chairman, I rise today in strong support of H.R. 3040, the Unemployment Insurance Reform Act, which will provide additional unemployment benefits to the 3.5 million unemployed workers who will exhaust their benefits this year. I consider it an insult to America's working men and women that Congress has to enact legislation to provide extended unemployment benefits for the second time in as many months, because the President refused to acknowledge the seriousness of the economic distress our country is experiencing.

I also want to take this opportunity to thank those Members of Congress who have so quickly brought this legislation to the floor for a vote, including the Speaker, and the entire Democratic leadership, Chairman ROSTENKOWSKI, and Congressman DOWNEY. Through their persistence and dedication to helping the long-term unemployed workers in the United States, we have the opportunity to reaffirm our commitment to America's working men and women, and let them know that Congress has not forgotten them, or turned a deaf ear to their suffering.

Mr. Chairman, I am extremely disappointed that we have to be here today, once again debating the obvious need for the extension of unemployment benefits for the millions of Americans who have exhausted, or will exhaust, their regular 26 weeks of benefits. We debated and enacted legislation to address this urgent need over 1 month ago. However, President Bush chose to ignore the millions of Americans who have lost their jobs, and exhausted their benefits, due to the severity of the current recession. President Bush's cynical assertion that the recession is over—and therefore an extension of unemployment benefits is unnecessary—is a slap in the face to all the honest, hard-working, decent Americans who have been thrown out of work by 11 years of Republican policies that produced both tremendous deficit and the recession currently plaguing our Nation.

President Bush's refusal to declare a budget emergency to provide these extended benefits cannot be allowed to stand. Millions of Americans who want to work, but cannot find work because of the current recession, need these extended benefits desperately. How can the President of the United States say to these millions of Americans that are being thrown out of work, and who are unable to pay their rent or buy food and clothing for their families, that their plight does not constitute an emergency? The President has already designated emergencies for the Kurds, Bangladesh, and Kuwait. How can he send foreign aid to these countries and ignore the millions of Americans being forced into poverty because of long-term unemployment caused by the Republican recession?

Permit me to cite some distressing unemployment statistics from my home town, Cleveland, OH. In 1990, the black unemployment rate in Cleveland exceeded 20 percent, the highest black unemployment rate of any large city in the Nation. The overall unemployment rate in Cleveland was 13.8 percent, the second highest in the Nation. In human terms, these numbers mean that over one in five blacks in Cleveland could not find work, and over one in eight of all Clevelanders was unemployed in 1990. More importantly, these numbers do not even count the thousands of unemployed Clevelanders who have ex-

hausted their benefits, or who have been forced to take a part-time job to try to make ends meet.

When I contemplate numbers like this, I want to ask President Bush: "Mr. President, you declared an emergency for the Kurds; you declared an emergency in Bangladesh and Kuwait; Mr. President, what about Cleveland?" If the President can declare emergencies for people half-way around the world, then he can recognize the emergency millions of Americans are facing here at home.

Mr. Chairman, I urge all my colleagues to show compassion to the millions of Americans who are facing the indignity and pain of being unemployed each and every day. Vote for passage of H.R. 3040, and tell the American working men and women that we understand the difficulty they face in finding work in the current economic climate, and that we will stand by them as they search for work. Vote for passage of H.R. 3040 and declare an emergency for Americans who desperately need our help.

Mr. RICHARDSON. Mr. Chairman, before we left for August recess, we passed important legislation extending unemployment benefits for 8.5 million Americans that are currently out of work. Now we are here today, considering similar legislation because our President—the fighter for America's working families—refused to declare an emergency, so that the people this legislation was designed to help, could receive those benefits.

The irony of all this is that the President stated his opposition to unemployment benefit legislation which would automatically declare an emergency—he threatened to veto such a bill. So, in trying to work with our President, we did not include such a provision. Instead, we assumed that he was as concerned about the health and well-being of our unemployed as we were and would declare the emergency himself.

What we should have assumed—based on previous experience—was that our President has often proclaimed that he is a family President, yet each time legislation benefiting our Nation's low- and middle-income families comes up, he opposes it.

Mr. Chairman, such actions are simply unacceptable to me and apparently to many of my colleagues as well—otherwise we would not have before us today the legislation we do. This time, we must hold firm. We have 8.5 million Americans unemployed. These people have families they have to feed, clothe, house, and take care of in an economy where there are simply not enough jobs—in New Mexico alone, the unemployment rate has remained at over 7 percent. Mr. Speaker, I am proud to fight for our Nation's unemployed by supporting this important legislation and I urge my colleagues to do so as well.

Mr. GEJDENSON. Mr. Chairman, I would like to take this opportunity to express my strong support for the Unemployment Insurance Reform Act (H.R. 3040).

Mr. Chairman, there is no reason for us to be here today debating this issue. In August, this Congress passed a good bill that gave much needed assistance to Americans who have lost their jobs. Unfortunately, instead of helping the 2.15 million American workers who have exhausted their benefits, President Bush decided to ignore them and do nothing. While he has declared emergencies for the people of Bangladesh and the people of Turkey—thus making them eligible for American assistance—President Bush has not extended this same courtesy to the American worker.

Luckily, my colleagues and I in the House have decided that this situation is an emergency and we are doing something about it. I support H.R. 3040 because it provides additional unemployment benefits to long-term unemployed workers by replacing the current Federal-State extended benefits with a stronger, more comprehensive program. The current system provides 13 extra weeks of unemployment benefits for workers whose benefits have run out, but who are still looking for work. H.R. 3040 allows benefits to be available for an additional 20 weeks, depending on the unemployment rate in the State.

The bill would also change each State's calculation of its unemployment rate to accurately reflect the numbers of the unemployed. Instead of counting just the people who are receiving unemployment compensation, as is the current practice, States would be able to count all people who are out of work. This new accounting procedure would help ensure that those who are out of work get the benefits that they deserve.

H.R. 3040 could mean a great deal to workers in my home State of Connecticut where, according to the State Department of Labor, over 2,000 people have exhausted their unemployment benefits. Many of these people are unemployed defense workers who have given their talent and toil to build strong national defense programs. Now, as the cold war thaws and defense spending drops off, these workers deserve additional efforts by Congress and the administration to maintain economic health in the year to come.

It is time to go beyond promising economic aid to any foreign nation who asks and start focusing on people in this country who desperately need assistance to begin rebuilding their lives.

Mr. RANGEL. Mr. Chairman, I rise to revise and extend my remarks in support of the Unemployment Reform Act of 1991. It seems to me that we should not even have to be standing here at this time. The President should have recognized the severity of unemployment and its duration for so many Americans and designated the current situation an emergency. Unfortunately, we are here to make the President understand what he seems most unable to do; appreciate depth of the despair of Americans so unfortunate as to have lost their jobs in this recession.

I do not have to repeat the data my colleagues have set forth in this debate about the magnitude of the unemployment problem. What I will note is the growing despair in communities throughout the Nation. In communities like mine it is positively frightening. Already we are faced with an intolerable number of young people unable to secure their first jobs or any steady work. The despair of these young men and women is what incubates the epidemic of drug and alcohol abuse. By ignoring the plight of those who have lost their jobs and have exhausted their benefits we are just going to add to the level of despair in those communities that can least bear it.

I really wonder how the President expects these people to make ends meet. Remember that for more than 80 percent of America incomes have not increased adjusted for inflation over the last decade. These people have been scraping just to get by. If not for the policies of the past two administrations these people might have some cushion. But I rather imagine that the only cushion is their unemployment check.

So, the number of unemployed grow and the period of their unemployment grow longer while the smoke and mirror dreams of supply side economics finally fades. Of course, this recession hits hardest on those who have the thinnest cushions to protect themselves during unemployment. Recently a group of workers laid off by the city of New York visited my office. They were hospital workers. They had become the victims of the decade long effort to shift responsibility to the State and local governments without an effort to provide the fiscal means to meet the responsibilities. They along with thousands of others were among the low-income workers the city has had to lay off because of its fiscal crisis. They are scared. They never earned much and now they're uncertain about their ability to get another secure job. They seem at wit's end. These are people who have worked hard every day in difficult jobs trying as sincerely as they can to help others even poorer than they are to get well. Frankly, I don't know what to say to them. I was hoping I could tell them that they could expect their Government would stand behind them. But, I wonder if they will continue to feel that way if we do not succeed in enacting this bill.

Mr. BUNNING. Mr. Chairman, I rise today in opposition to H.R. 3040—the Unemployment Insurance Reform Act.

I am not going to stand here and say that we don't face some serious problems with the economy and the unemployed, but ignoring the Budget Act and depleting Federal funds is not the way to get Americans back to work.

Our country has faced recessions before—most recently in September 1982. Unemployment that month stood at 10.1 percent. Now that's an emergency.

The Congress and the President responded with temporary relief and appropriate steps to bring the economy around. The temporary relief ended when unemployment hit 7.2 percent.

Yet today we debate a bill which disregards the lessons of the past and declares an emergency when unemployment stands at 6.8 percent.

And we are not talking about any temporary steps here. We are talking about permanent steps to limit the States' ability to restrict the eligibility of workers who simply quit their jobs. We are talking about a violation of last year's Budget Act and the pay-as-you-go agreement. We are talking about eventually raising taxes to pay for this entitlement expansion. Like it or not the bill is going to come due. And it won't be temporary either—it will be permanent.

Let's stop playing politics with the unfortunate unemployed and get on with the business of bringing back economic stability to the workers of America.

I urge my colleagues to join me in opposing this legislation.

Mr. RIDGE. Mr. Chairman, I rise today in support of legislation extending jobless benefits to the long-term unemployed.

It is not un-American to be unemployed. These people did not volunteer for the unemployment lines. It is un-American to be unwilling to do something about their plight.

This country has forgiven billions of dollars of other countries' debts for years. We will not be able to forgive ourselves if we fail to recognize our debt to working Americans who have lost their jobs through no fault of their own.

For the unemployed there is no greater frustration than the inability to find work. There is no greater agony than the day-to-day struggle to put food on the table and to pay the bills. Our efforts here are but the very least we can do, should do, to lend help, to extend a hand.

In Pennsylvania, nearly 450,000 individuals are now unemployed and looking for work. The unemployment rate in the State is 7.3 percent and that's up over 2 percent from just a year ago. The percentage of Pennsylvanians who have exhausted their normal benefits is running 30 percent higher than last year. I believe that trend will continue for some time.

This important legislation provides some income protection, some purchasing power, to workers while they look and train for new jobs.

Without this help, many of Pennsylvania's, and America's, unemployed will fall through gaping holes in the employment safety net.

Those who benefit from this bill are not asking for a handout. They are simply asking their Government to release funds that they, and their employers placed in a trust fund. It wasn't put there to help the deficit.

But the fact is we'd better start thinking of ways to give people a job rather than a check. This extension ought to be part of an economic recovery package, one that includes a highway bill, one that stimulates the economy by addressing the credit crunch, by helping small businesses expand. For if there's still no hope of work after these additional 20 weeks then our efforts here have done little to change the plight of these families.

I say it's high time we spend less time fighting about spending trust funds and spend more time fighting for the American worker, their jobs, their families.

Mr. MARKEY. Mr. Chairman, I rise in strong support of H.R. 3040, the Unemployment Insurance Reform Act of 1991. In my home State of Massachusetts we are now experiencing close to double digit inflation, employment has declined by over 160,000 jobs in the last year, and all sectors of our economy have experienced a serious downturn. Only the health services industry has experienced any growth over the past difficult year. The Commonwealth of Massachusetts was forced to borrow over $100 million last month to support the approximately 130,000 people being paid every day from the unemployment insurance fund daily.

If the President doesn't believe we are in an emergency situation, perhaps he should drive through Massachusetts on his way back from Walker's Point.

If he stopped in towns like Tewksbury and Wilmington and Burlington in my district, the President would meet people who are enduring real hardship; who have not only suffered the indignity of losing a job but who have suffered the despair of losing their savings, their homes, and, finally, their hope that the American dream still exists for them.

President Bush would meet high-technology engineers who sought and gained a place in an industry they were told would grow exponentially into the next century—and are now seeing computer company after computer company announce huge layoffs and hearing dire predictions about the industry's future.

He would meet teachers laid off as local and State budgets are slashed and as local school officials increase the size of classrooms and cut course offerings.

He would meet homebuilders and contractors who started successful small companies in the 1980's, only to have bankers and big-time developers squander billions of dollars on empty skyscrapers and doomed condominium projects. Now they can't get the capital they need to keep their companies going.

The President would hear about the struggles of the modern two-income family. Squeezed in the 1980's by the high cost of living and overleveraged by an inflated real estate market, many of these families now find one of their incomes is gone—lost to the recession the President's advisers insist has already passed.

These are difficult times in Massachusetts. Unlike our last serious recession in 1982, we are not just enduring a normal downturn in the business cycle; we have major long-term problems in some of our most important industries, including banking, high technology, and construction.

This year alone, 85 banks have failed nationwide and more than 1,000 are on the Federal Deposit Insurance Corporation's problem list. In Massachusetts, the failure of the Bank of New England—which could ultimately cost the Government more than $5 billion—is just the most spectacular of a slew of failures.

In the past year, Massachusetts has lost almost 20,000 high-technology jobs. The recession coupled with intense foreign competition—particularly from the Japanese—have forced companies like Digital and IBM to lay off workers for the first time in their histories.

As a result, workers face not just a few months of unemployment but serious long-term job displacement.

The President's decision not to fund this bill is unconscionable. Later this month, Congress will be asked to spend another $80 billion to bail out the savings and loan industry but the President cannot find $6 billion to extend benefits for people suffering from his administration's inept economic policies.

Mr. Bush says he cannot declare the emergency necessary to provide the extension of unemployment benefits under H.R. 3201, the Emergency Unemployment Compensation Act of 1991. These are unemployment benefits that so many people in this country desperately need, however, he is more than willing to sign the piece of paper that the bill is written on in a tragic act of hypocrisy.

The President wishes to hide amidst the rhetoric of marginal real GNP gains and third quarter growth, but arcane economic jargon doesn't help the people of Massachusetts. The Unemployment Insurance Reform Act before us today will do something real for these people. This bill, H.R. 3040, will provide for the extensions of benefits that will mean the difference between absolute tragedy and a fighting chance at surviving this depression.

The need for a program of Federal supplemental compensation cannot be understated. The recession is still very real, and when our economy finally begins to recover we know that the unemployment will last still longer than the recession that caused it.

Mr. FRANKS of Connecticut. Mr. Chairman, today I rise in general, albeit reluctant, support of extending unemployment benefits, as offered by H.R. 3040, to those workers who have been especially hard hit by the deep recession in New England.

On August 2, I voted for H.R. 3201 to extend unemployment benefits to allow workers who are seeing economic hard times, an opportunity to get through this recession cycle. I realize, and am sympathetic to, the needs of the unemployed, especially in the Fifth District of Connecticut. In fact, I felt that the President should have declared an emergency to allow for the extension of benefits to be implemented.

While I do not fully agree with the procedure and practices that have been written into this legislation, I feel compelled to support this legislation. Although I voted against the rule under which H.R. 3040 is being considered, I see how badly the people in my district have been hit by this recession.

As I walk the streets or drive my car, the one thing people always express to me is the need for unemployment benefits to be extended in order to survive these times.

Cities in my district such as Waterbury, Naugatuck, and Meriden, to name a few, are experiencing near 10-percent unemployment. The times here are definitely tough.

Therefore, I feel forced to vote for H.R. 3040 because it is the only alternative to what I feel is desperately needed, and that is extending unemployment benefits.

There are major flaws in H.R. 3040. For one, I feel it sets bad precedents, but because of the majority party's reluctance to allow the minority party any amendments, we are stuck with this alternative.

My preference would be to temporarily extend these benefits until the recession cycle is over. I would also like to see this extension financed through the surplus of funds in the unemployment trust fund. And finally, I would like to see nondeficit spending as well.

However, it is imperative for the survival of the Fifth District of Connecticut that we extend these benefits. Our unemployed must have the extra time to seek work that is extremely difficult to find.

Finally, Mr. Chairman, I do not fully support H.R. 3040 as policy, but I will vote for it because I support the concept of extending unemployment benefits. I continue to be hopeful that many of the provisions in the financing mechanism will be changed in the final version. We must allow our workers to get through these tough times. But we also have a responsibility here in Congress to spur economic growth and to help create jobs so we will not need to extend these benefits in the near future.

Ms. SLAUGHTER of New York. Mr. Chairman, in parts of my district, nearly 1 out of every 10 workers is unemployed. In New York

State, last month's unemployment rate was 7.5 percent. Eight and a half million Americans are out of work; more than half are not receiving unemployment benefits. This recession has been a tragedy for millions of working men and women who have seen their jobs, their homes, and their quality of life disintegrate before their eyes. These workers, who have spent years as productive taxpayers, now find their Government has turned its back.

During the Great Depression, Franklin Roosevelt made a covenant with our people called the New Deal. It was founded on the principle of putting people to work and providing basic protections for them until they found jobs. All across America FDR's vision is crumbling. In July, the largest number of workers in any month in 40 years, and possibly in the history of the unemployment program, exhausted their unemployment benefits without becoming eligible for any additional unemployment aid. Middle-class families whose breadwinners have lost jobs are now in danger of slipping into poverty.

We must meet our responsibility to the millions of Americans who want to work, but cannot find jobs. In this Congress, we have declared emergencies for the Kurds, Bangladesh, and Kuwait. Today we must recognize the emergency that our fellow Americans face.

Extended benefits are now available to workers in only two States—Alaska and Rhode Island. Under this legislation, additional benefits would be available to workers in all States as long as the national unemployment rate is at least 6 percent. This bill provides up to 20 additional weeks of unemployment compensation, depending on the unemployment rate in each State. In New York, workers would be eligible for 15 additional weeks of benefits. At the same time, workers would receive additional protection from State laws which disqualify people who are rightfully entitled to benefits. For instance, States can no longer disqualify a worker who voluntarily left a job to move to a new position, and then was laid off.

This legislation also recognizes our fighting men and women by increasing ex-servicemembers' unemployment benefits from 13 weeks to 26 weeks and reducing the time they must wait to receive those benefits after leaving the service from 4 to 1 week. Reservists would also receive additional protections under this bill, which reduces the number of days a reservist must be on active duty from 180 to 90 in order to be eligible for unemployment insurance. This legislation is particularly crucial as our Nation responds to changing global events and diminish superpower tensions by downsizing our military, trimming the defense budget, and closing some military bases. Our service men and women deserve these protections.

America's working families need this legislation, and I am proud to support it.

Mr. WEISS. Mr. Chairman, I rise in support of H.R. 3040, the Unemployment Insurance Reform Act. In early August Congress met to consider legislation extending unemployment insurance. We recognized the seriousness of the recession we were in and voted to extend benefits to unemployed workers. The bill then went to the President, who signed it, but callously neglected to declare the state of emergency necessary for the bill to go into effect.

Now, more than a month later the situation that prompted us to act not only persists, it has worsened—8.5 million Americans are unable to find work, and our economy continues to lose jobs. Mr. Chairman, the recession is not over. Americans are not finding new jobs and their unemployment benefits are running out. Two million unemployed workers have had their benefits expire this year, 350,000 in July alone. Of course, the ultimate solution is to find permanent employment for these workers, but in the meantime we must help those Americans who are at or nearing their financial breaking point.

Despite frequent claims from the President, and my colleagues across the aisle, that the recession is over, we are not in a recovery. In my home of New York City, close to 100,000 people have exhausted their benefits this year, nearly 16,000 in August alone. The numbers for New York State are even more frightening. From January 1 through the end of August, 205,500 workers had their benefits expire; that compares with 106,000 for all of last year. Mr. Chairman, with a recovery like this, who needs a recession.

If the President would turn his attention homeward, he would see that emergencies exist not only in Bangladesh, Kuwait, and for the Kurds, but here in the United States as well. Millions of Americans are without jobs, and without the means to support themselves and their families. It is our responsibility to help these Americans who want nothing more than to work, but who, because of the recession, can find no employment. By refusing to declare the state of emergency necessary to extend these much needed benefits, the President has told unemployed Americans that they are on their own. I urge my colleagues to support the American worker and vote for H.R. 3040.

Mr. GREEN of New York. Mr. Chairman, I rise in strong support of the amendment offered by the gentleman from Illinois [Mr. ROSTENKOWSKI] to replace the Unemployment Insurance Reform Act's provision which automatically declares expenditures under the bill "emergency" funds for the purpose of complying with the 1990 budget enforcement agreement.

As we all know, the 1990 Budget Agreement mandates that any legislation creating new entitlement authority be offset by new revenue or spending cuts—unless the President declares an emergency. Without the declaration of an emergency, the bill violates the 1990 budget enforcement agreement and could trigger a sequester of other vital entitlement programs.

Under the amendment offered by Mr. ROSTENKOWSKI, if the President does not declare an emergency—and it is already clear that the President will not declare one—the Federal unemployment tax paid by employers would be increased to pay for the extended benefits program. According to the Congressional Budget Office, the increased tax would raise $6.5 billion through 1996, more than enough to cover the extended benefits program, which is estimated to cost approximately $6.3 billion.

After reviewing Ways and Means Committee data and listening to employment and social insurance experts testify at a New York City field hearing organized by the House Budget Committee, I was convinced that there has been a significant long-term erosion in the unemployment insurance system. According to the Ways and Means Committee 1991 "Green Book" on entitlement programs, in 1975 the percentage of insured unemployment as a percent of total unemployment was 76 percent. Throughout the 1980's a tremendous disparity emerged between the percentage of insured unemployment as compared with total unemployment—1990 marked the seventh straight year that unemployment insurance coverage dropped below 40 percent nationally.

As you can see, we do not have an emergency on our hands, but rather the steady erosion of the Unemployment Insurance Program that has transpired over the last 15 years. The national unemployment rate of 6.8 percent, while higher than anyone would like, is far below the 1982 recession levels and lower than the 7.2 percent rate when the extended benefits program was allowed to expire in 1985. In addition, the long-term erosion of the unemployment system was understood before we adopted the 1990 Budget Enforcement Agreement, as amply demonstrated by the 1990 "Green Book". In short, the case for an emergency simply cannot be made.

Unlike the unemployment insurance benefits extension legislation that was adopted by the House on August 2, 1991, H.R. 3040 is not a temporary measure, H.R. 3040 addresses the erosion of benefits by making permanent changes to the unemployment insurance system that will enable all States to provide some extension of benefits. I applaud those changes. However, if H.R. 3040 is adopted without the Rostenkowski financing amendment, we violate the 1990 Budget Enforcement Agreement—our only statutory source of budget discipline. In addition, we retreat on a promise made to the American people, just last October, to reduce the budget deficit.

In closing, there is ample evidence that the current unemployment insurance system has seriously been eroded and it is clear that if we are going to reform the system we have to pay for it. H.R. 3040, the Unemployment Insurance Reform Act, makes permanent changes that are long overdue, and the Rostenkowski financing amendment pays for the benefits program without violating last year's Budget Enforcement Agreement.

I encourage my colleagues to stop the charade and support the Rostenkowski financing amendment. The 8.5 million unemployed Americans deserve no less.

Mr. CONYERS. Mr. Chairman, one issue we were unable to address today in the debate on H.R. 3040 was the issue of unemployment insurance benefits for railroad workers. This matter is of particular importance to me, as I have the privilege of representing hundreds of railroad workers in Michigan's first district, and as the Committee on Government Operations, which I chair, has reviewed the financial vulnerabilities of the Railroad Retirement Board.

As many of us may know, Mr. Speaker, the Railroad Retirement Board is entrusted with administering railroaders' retirement, disability, sickness, and—most importantly today—unemployment benefits. The solvency of the trust

funds with which the Board pays these benefits depends on railroad corporations paying their taxes.

The Railroad Retirement Board's Inspector General has been auditing railroad tax payments over the last three years. His testimony before the Government Operations Committee was that the railroads are shortchanging this system with bookkeeping tricks to keep from paying what they owe to their workers.

It is against this backdrop that H.R. 3040 comes before us. We are forced to consider this legislation today because the President, by signing the unemployment insurance bill last month without implementing it, did nothing more than pay lip service to the victims of his failed economic policy.

H.R. 3040 corrects this inaction by the Bush Administration. Beyond that, I hope Congress will act to fully protect all our railroad workers who have been shortchanged by corporate accounting gimmicks, Gramm-Rudman—Hollings sequestration, and economic slumps like the current one.

Two critical changes to H.R. 3040 must be made that will extend critical protections to all railroad employees:

First, we must provide unemployment benefits to those who otherwise would not have them; and

Second, we must protect the railroad retirement trust funds from sequestration.

The first measure will affect some 6,000 unemployed railroad workers with less than 10 years of service—workers who tragically fell through the cracks of deficient existing unemployment legislation.

The second change, protecting the Railroad Retirement trust funds from sequestration, only makes sense. These funds are not paid for out of general revenues; they are, as I have mentioned, paid for by a special tax on railroads, much like the Social Security tax. Subjecting these funds to Gramm-Rudman-Hollings sequestration would not affect the deficit, as they can be used only for the purpose of providing benefits to railroad workers. There is no role whatsoever for these funds in deficit reduction.

Mr. Chairman, as the Maintenance of Way railroad union's national headquarters is based in my district, and as chairman of the Committee on Government Operations, I know what railroad workers need to protect their much needed and well-earned benefits. As it stands, H.R. 3040 is a good first step, but we need to address these other two remaining areas to insure fairness to all railroad employees. I urge my colleagues to join in supporting these needed reforms at the earliest feasible time.

Mr. FLAKE. Mr. Chairman, I rise today to communicate the urgency and seriousness of the House approving H.R. 3040, the Unemployment Insurance Reform Act. As you know, we passed similar legislation which the President signed into law in late August. Passage of H.R. 3040 is critical because the previous legislation was prevented from being effective because the President refused to declare the expenditures in the bill as emergency funds.

As the President continues to declare a state of emergency and approves aid for tragedies abroad, the President refuses to call a steady unemployment rate of 6.8 percent and 8.5 million jobless Americans a state of emergency. This is truly absurd, the America beyond the beltway is indeed experiencing an emergency when 1 out of every 14 able persons is out of a job.

The legislation which we will consider today releases funds for those whose benefits have expired. The White House believes that the economy is on an up-swing and therefore additional unemployment benefits are unnecessary. However, I refuse to tell the American people that when their benefits expire they will live on promises and optimistic forecasts. These people need tangible, emergency assistance TODAY. We must declare our own Nation a state of emergency and pass the Unemployment Insurance Reform Act today.

Mr. COLEMAN of Texas. Mr. Chairman, I rise today in support of H.R. 3040, the Unemployment Insurance Reform Act. More than 25,000 El Pasoans are currently looking for work while news reports are saying the recession is ending. But residents of Texas' 16th Congressional District, who cannot pay their bills, will tell you that the recession is real. I believe these workers agree with a majority of the U.S. Congress that the extension of unemployment benefits is an emergency.

Already this year, the President has designated $1.14 billion in emergency funding for foreign aid programs and not a dime for domestic programs. It is time that we turn our attentions to the needs of Americans at home.

Last month George Bush denied the emergency funding for the extension of these benefits, and more than 300,000 jobs have been lost. Almost 1.2 million Americans have been unemployed for more than 26 weeks, and are ineligible to receive benefits. The rate of unemployment has doubled, and this doubling of long-term unemployment is troubling.

Unemployment declines after financial recovery is underway and, to contradict the administration, recovery has not yet begun. Therefore, long-term unemployment will persist.

The weakness of the economy has been straining family finance, in my district and across the United States, since well before the recession began. The House Budget Committee reports that adult participation in the labor force peaked at 66.6 percent in 1989 and remained flat until the recession began in mid-1990. Since then, there has been a decline of 65.7 percent.

Additionally, the adjusted unemployment rate, which reflects the unemployed workers no longer seeking work because they do not believe jobs are available, is now 12 percent, or 2.5 percentage points higher than it was before the recession.

In Texas, based on the unemployment rates, unemployed workers would receive an additional 6 weeks of benefits. But those 6 weeks could mean the difference between finding a job and losing a home.

I also support the House Ways and Means Committee amendment to H.R. 3040, which would have deleted a provision giving States the option of providing unemployment benefits between terms or academic years to noninstructional employees. Under present law, States are prohibited from paying unemployment benefits to all school employees between terms or academic years.

The Congressional Budget Office estimated this provision would cost $20 million per year, but would also add $20 million per year in Federal receipts. This would occur because governmental and nonprofit schools have the option to reimburse the Federal unemployment trust fund for these costs rather than pay experience-rated unemployment taxes.

I agree with the committee's position that this provision could be interpreted by the other body as a revenue bill, which in turn would open the door for other revenue amendments in the Senate. This could detract from the main objective of the bill, which is providing essential benefits to the unemployed.

My additional concern was that poor school districts, such as those in my congressional district including El Paso, Ysleta, Socorro, and San Elizario, could be forced into an untenable financial situation and be required to pay for benefits which they currently are not under obligation to pay. While I am empathetic with seasonal and nonprofessional school district employees obtaining unemployment benefits to which they are entitled, current laws define the time period during which they are eligible.

Nonetheless, we have the opportunity to place the extension of benefits with a funding alternative on President Bush's desk. The needs of more than 8.5 million American workers, and their families, are at stake. If the President does not agree that the extension of unemployment benefits constitutes an emergency, he will have to resort to his use of the veto. The decision he makes will reflect on his concern for all Americans.

The CHAIRMAN. The question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

□ 1050

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. LEWIS of Georgia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3040) to provide a program of Federal supplemental compensation, and for other purposes, pursuant to House Resolution 221, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole?

Mr. GINGRICH. Mr. Speaker, I demand a separate vote on the so-called Rostenkowski amendment No. 1 which cuts out janitors, school bus drivers, and cafeteria workers.

The SPEAKER. The Clerk will report the amendments en bloc on which a separate vote has been demanded.

The Clerk read as follows:

Amendments:

Page 24, strike lines 6 through 24.

Page 25, line 1, strike "SEC. 204." and insert "SEC. 203.".

Page 26, line 7, strike "SEC. 205." and insert "SEC. 204.".

Page 27, line 20, strike "SEC. 206." and insert "SEC. 205".

Page 27, strike line 22 and all that follows through line 3 on page 28 and insert the following:

(a) IN GENERAL.—Subparagraph (A) of section 3304(a)(6) of the Internal Revenue Code of 1986 is amended by striking "and" at the end of clauses (iii) and (iv) and by inserting after clause (v) the following new clause:

"(vi) compensation may be denied to an

Page 50, strike the table following line 6 and insert the following:

For fiscal year:	Increase in outlays:	Increase in receipts:
1992	$5,515,000,000	$0
1993	$392,000,000	$0
1994	$120,000,000	$0
1995	$120,000,000	$0

Page 2, strike the item relating to section 203 in the table of contents and redesignate the items relating to sections 204, 205, and 206 as relating to sections 203, 204, and 205, respectively.

The SPEAKER. the question is on the amendments en bloc.

The question was taken; and the Speaker announced that the noes appeared to have it.

RECORDED VOTE

Mr. ROSTENKOWSKI. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

PARLIAMENTARY INQUIRIES

Mr. ROSTENKOWSKI. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ROSTENKOWSKI. Mr. Speaker, as I understand the situation, what the gentleman from Georgia [Mr. GINGRICH] has done is he is asking us to delete an amendment that was agreed to unanimously by the Committee on Ways and Means. An aye vote would retain the posture and the position of the Ways and Means Committee and support what the minority as well as the majority did on the Committee on Ways and Means, is that correct

The SPEAKER. Insofar as that is a parliamentary inquiry, the gentleman is correct.

Mr. GINGRICH. Mr. Speaker, I have a further parliamentary inquiry.

The SPEAKER. The gentleman from Georgia is entitled to one as well.

Mr. GINGRICH. Mr. Speaker, as I understand it, the Rostenkowski No. 1 amendment would have the effect of cutting out janitors, school bus drivers and cafeteria workers from unemployment benefits also.

The SPEAKER. That is obviously not a parliamentary inquiry.

The vote was taken by electronic device, and there were—ayes 84, noes 324, not voting 24, as follows:

[Roll No. 265]

AYES—84

Abercrombie	Gonzalez	Mrazek
Anderson	Goodling	Murtha
Andrews (NJ)	Grandy	Nowak
Andrews (TX)	Guarini	Oberstar
Anthony	Hastert	Orton
Archer	Henry	Owens (UT)
Aspin	Hoagland	Parker
Bateman	Houghton	Pease
Beilenson	Hoyer	Penny
Bereuter	Hutto	Peterson (MN)
Bilirakis	Johnson (CT)	Porter
Bonior	Kanjorski	Pursell
Bryant	Klug	Ramstad
Cardin	Kopetski	Ray
Carper	LaFalce	Rostenkowski
Chandler	Laughlin	Scheuer
Coleman (TX)	Leach	Shaw
Combest	Levin (MI)	Shays
Cooper	Lewis (GA)	Skaggs
Coyne	Lipinski	Smith (FL)
Crane	McCandless	Spratt
Derrick	McDermott	Stenholm
Dickinson	McMillen (MD)	Sundquist
Dingell	Meyers	Traxler
Foglietta	Miller (WA)	Upton
Franks (CT)	Montgomery	Vander Jagt
Geren	Moran	Weldon
Gibbons	Morella	Zimmer

NOES—324

Ackerman	Dellums	Hefner
Allard	Dicks	Hertel
Andrews (ME)	Dixon	Hobson
Annunzio	Donnelly	Hochbrueckner
Applegate	Dooley	Horn
Armey	Dorgan (ND)	Horton
Atkins	Dornan (CA)	Hubbard
AuCoin	Downey	Huckaby
Bacchus	Dreier	Hughes
Baker	Duncan	Hyde
Ballenger	Durbin	Inhofe
Barnard	Dwyer	Ireland
Barrett	Early	Jacobs
Barton	Eckart	James
Bennett	Edwards (CA)	Jefferson
Bentley	Edwards (OK)	Jenkins
Bevill	Edwards (TX)	Johnson (SD)
Bilbray	Emerson	Johnson (TX)
Bliley	Engel	Jones (GA)
Boehlert	English	Jontz
Boehner	Erdreich	Kaptur
Borski	Espy	Kasich
Boucher	Evans	Kennedy
Boxer	Ewing	Kennelly
Brewster	Fascell	Kildee
Brooks	Fawell	Kleczka
Broomfield	Fazio	Kolbe
Browder	Feighan	Kolter
Brown	Fields	Kostmayer
Bruce	Fish	Kyl
Bunning	Flake	Lagomarsino
Burton	Ford (MI)	Lancaster
Bustamante	Ford (TN)	LaRocco
Byron	Frank (MA)	Lehman (CA)
Callahan	Frost	Lent
Camp	Gallegly	Lewis (FL)
Campbell (CA)	Gallo	Lightfoot
Campbell (CO)	Gaydos	Livingston
Carr	Gejdenson	Long
Chapman	Gekas	Lowery (CA)
Clay	Gephardt	Lowey (NY)
Clement	Gilchrest	Luken
Clinger	Gillmor	Machtley
Coble	Gilman	Manton
Coleman (MO)	Gingrich	Markey
Collins (IL)	Glickman	Martin
Collins (MI)	Gordon	Martinez
Condit	Goss	Matsui
Conyers	Gradison	Mavroules
Costello	Green	Mazzoli
Coughlin	Gunderson	McCloskey
Cox (CA)	Hall (OH)	McCollum
Cox (IL)	Hall (TX)	McCrery
Cramer	Hamilton	McCurdy
Cunningham	Hammerschmidt	McDade
Dannemeyer	Hancock	McEwen
Darden	Hansen	McGrath
Davis	Harris	McHugh
de la Garza	Hatcher	McMillan (NC)
DeFazio	Hayes (IL)	McNulty
DeLauro	Hayes (LA)	Mfume
DeLay	Hefley	Michel
Miller (CA)	Riggs	Stark
Miller (OH)	Rinaldo	Stearns
Mineta	Ritter	Stokes
Mink	Roberts	Studds
Moakley	Roe	Stump
Molinari	Roemer	Swett
Mollohan	Rogers	Swift
Moody	Rohrabacher	Synar
Moorhead	Ros-Lehtinen	Tallon
Morrison	Rose	Tanner
Murphy	Roth	Tauzin
Myers	Roukema	Taylor (MS)
Nagle	Roybal	Taylor (NC)
Natcher	Russo	Thomas (GA)
Neal (MA)	Sabo	Thomas (WY)
Neal (NC)	Sanders	Thornton
Nichols	Sangmeister	Torres
Nussle	Santorum	Torricelli
Oakar	Sarpalius	Towns
Obey	Savage	Traficant
Olin	Sawyer	Unsoeld
Olver	Schaefer	Valentine
Ortiz	Schiff	Vento
Oxley	Schroeder	Visclosky
Packard	Schulze	Volkmer
Pallone	Schumer	Vucanovich
Panetta	Sensenbrenner	Walker
Patterson	Serrano	Walsh
Paxon	Sharp	Washington
Payne (NJ)	Shuster	Waters
Payne (VA)	Sikorski	Waxman
Pelosi	Sisisky	Weber
Perkins	Skeen	Weiss
Peterson (FL)	Skelton	Wheat
Petri	Slattery	Whitten
Pickett	Slaughter (NY)	Williams
Poshard	Smith (IA)	Wilson
Price	Smith (NJ)	Wise
Quillen	Smith (OR)	Wolf
Rangel	Smith (TX)	Wolpe
Ravenel	Snowe	Wyden
Reed	Solarz	Wylie
Regula	Solomon	Yates
Rhodes	Spence	Young (AK)
Richardson	Staggers	Young (FL)
Ridge	Stallings	Zeliff

NOT VOTING—24

Alexander	Johnston	Owens (NY)
Berman	Jones (NC)	Pickle
Doolittle	Lantos	Rahall
Dymally	Lehman (FL)	Rowland
Herger	Levine (CA)	Saxton
Holloway	Lewis (CA)	Slaughter (VA)
Hopkins	Lloyd	Thomas (CA)
Hunter	Marlenee	Yatron

□ 1116

Mr. MILLER of California, Ms. SLAUGHTER of New York, Messrs. STAGGERS, BUSTAMANTE, SAWYER, MARKEY, GEJDENSON, TORRICELLI, GLICKMAN, SLATTERY, SYNAR, DORGAN of North Dakota, and COX of Illinois, Ms. PELOSI, Messrs. FAZIO, SWETT, BORSKI, DIXON, and KOSTMAYER, and Mrs. BYRON changed their vote from "aye" to "no."

Mr. PORTER and Mr. RAMSTED changed their vote from "no" to "aye."

So the amendments en bloc were rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the committee amendment in the nature of a substitute adopted by the Committee of the Whole.

The amendment was agreed to.

LEGISLATIVE PROGRAM

(By unanimous consent, Mr. MICHEL was allowed to speak out of order for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked for this time for the purpose of inquiring of the distinguished majority

leader how the rest of the schedule might evolve for today.

Mr. GEPHARDT. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the distinguished majority leader.

Mr. GEPHARDT. Mr. Speaker, so that Members may know the schedule for voting for the rest of the day, I would like to give a sense of what votes are ahead and when we will leave.

We have a motion to recommit. That vote will be a 15-minute vote. That will be followed by a vote on final passage, which will be a 5-minute vote, and then we will go to the D.C. appropriations bill. There will be a vote on disagreeing with the Senate amendment and that will be a 15-minute vote; that should happen in pretty good sequence, so within 35 or 40 minutes the business for today ought to be finished.

Mr. MICHEL. Mr. Speaker, I thank the distinguished gentleman.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GINGRICH

Mr. GINGRICH. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. GINGRICH. I am opposed, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GINGRICH moves to recommit the bill H.R. 3040 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with an amendment as follows:

At the end of the bill add the following new title:

TITLE I—INVESTMENT AND JOB CREATION INCENTIVES

Subtitle A—Reduction in Capital Gains Tax for Individuals

SEC. 101. REDUCTION IN CAPITAL GAINS TAX FOR INDIVIDUALS.

(a) GENERAL RULE.—Part I of subchapter P of chapter 1 is amended by adding at the end thereof the following new section:

"SEC. 1202. DEDUCTION FOR CAPITAL GAINS.

"(a) DEDUCTION ALLOWED FOR CAPITAL GAIN.—

"(1) IN GENERAL.—If, for any taxable year, a taxpayer other than a corporation has a net capital gain, an amount equal to the sum of the applicable percentages of the applicable capital gain shall be allowed as a deduction.

"(2) ESTATES AND TRUSTS.—In the case of an estate or trust, the deduction under paragraph (1) shall be computed by excluding the portion (if any) of the gains for the taxable year from sales or exchanges of capital assets which, under sections 652 and 662 (relating to inclusions of amounts in gross income of beneficiaries of trusts), is includible by the income beneficiaries as gain derived from the sale or exchange of capital assets.

"(b) APPLICABLE PERCENTAGES.—For purposes of this subsection, the applicable percentages shall be the percentages determined in accordance with the following table:

"In the case of:	The applicable percentage is:
1-year gain	10
2-year gain	20
3-year gain	30.

"(c) GAIN TO WHICH DEDUCTION APPLIES.—For purposes of this section—

"(1) APPLICABLE CAPITAL GAIN.—The term 'applicable capital gain' means 1-year gain, 2-year gain, or 3-year gain determined by taking into account only gain which is properly taken into account for periods on or after April 15, 1991.

"(2) 3-YEAR GAIN.—The term '3-year gain' means the lesser of—

"(A) the net capital gain for the taxable year, or

"(B) the long-term capital gain determined by taking into account only gain from the sale or exchange of assets held more than 3 years.

"(3) 2-YEAR GAIN.—The term '2-year gain' means the lesser of—

"(A) the net capital gain for the taxable year, reduced by 3-year gain, or

"(B) the long-term capital gain determined by taking into account only gain from the sale or exchange of assets held more than 2 years but not more than 3 years.

"(4) 1-YEAR GAIN.—The term '1-year gain' means the net capital gain for the taxable year determined by taking into account only—

"(A) gain from the sale or exchange of assets held more than 1 year but not more than 2 years, and

"(B) losses from the sale or exchange of assets held more than 1 year.

"(5) SPECIAL RULES FOR GAIN ALLOCABLE TO PERIODS BEFORE 1993.—For purposes of this section—

"(A) GAIN ALLOCABLE TO PERIODS AFTER APRIL 15, 1991, AND BEFORE 1992.—In the case of any gain from any sale or exchange which is properly taken into account for the period beginning on April 15, 1991, and ending on December 31, 1991, gain which is 1-year gain or 2-year gain (without regard to this subparagraph) shall be treated as 3-year gain.

"(B) GAIN ALLOCABLE TO 1992.—In the case of any gain from any sale or exchange which is properly taken into account for periods during 1992, gain which is 1-year gain or 2-year gain (without regard to this subparagraph) shall be treated as 2-year gain and 3-year gain, respectively.

"(6) SPECIAL RULES FOR PASS-THRU ENTITIES.—

"(A) IN GENERAL.—In applying this subsection with respect to any pass-thru entity, the determination of when a sale or exchange has occurred shall be made at the entity level.

"(B) PASS-THRU ENTITY DEFINED.—For purposes of subparagraph (A), the term 'pass-thru entity' means—

"(i) a regulated investment company,

"(ii) a real estate investment trust,

"(iii) an S corporation,

"(iv) a partnership,

"(v) an estate or trust, and

"(vi) a common trust fund.

"(7) RECAPTURE OF NET ORDINARY LOSS UNDER SECTION 1231.—For purposes of this subsection, if any amount is treated as ordinary income under section 1231(c) for any taxable year—

"(A) the amount so treated shall be allocated proportionately among the section 1231 gains (as defined in section 1231(a)) for such taxable year, and

"(B) the amount so allocated to any such gain shall reduce the amount of such gain."

(b) TREATMENT OF COLLECTIBLES.—

(1) IN GENERAL.—Section 1222 is amended by inserting after paragraph (11) the following new paragraph:

"(12) SPECIAL RULE FOR COLLECTIBLES.—

"(A) IN GENERAL.—Any gain or loss from the sale or exchange of a collectible shall be treated as a short-term capital gain or loss (as the case may be), without regard to the period such asset was held. The preceding sentence shall apply only to the extent the gain or loss is taken into account in computing taxable income.

"(B) TREATMENT OF CERTAIN SALES OF INTEREST IN PARTNERSHIP, ETC.—For purposes of subparagraph (A), any gain from the sale or exchange of an interest in a partnership, S corporation, or trust which is attributable to unrealized appreciation in the value of collectibles held by such entity shall be treated as gain from the sale or exchange of a collectible. Rules similar to the rules of section 751(f) shall apply for purposes of the preceding sentence.

"(C) COLLECTIBLE.—For purposes of this paragraph, the term 'collectible' means any capital asset which is a collectible (as defined in section 408(m) without regard to paragraph (3) thereof)."

(2) CHARITABLE DEDUCTION NOT AFFECTED.—

(A) Paragraph (1) of section 170(e) is amended by adding at the end thereof the following new sentence: "For purposes of this paragraph, section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles)."

(B) Clause (iv) of section 170(b)(1)(C) is amended by inserting before the period at the end thereof the following: "and section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles)".

(c) MINIMUM TAX.—Section 56(b) is amended by adding at the end thereof the following new paragraph:

"(4) CAPITAL GAINS DEDUCTION DISALLOWANCE.—The deduction under section 1202 shall not be allowed."

(d) CONFORMING AMENDMENTS.—

(1) Subsection (h) of section 1 is hereby repealed.

(2) Section 12 is amended by striking paragraph (4) and redesignating the following paragraphs accordingly.

(3) Section 62(a) is amended by inserting after paragraph (13) the following new paragraph:

"(14) CAPITAL GAINS DEDUCTION.—The deduction allowed by section 1202."

(4) Clause (ii) of section 163(d)(4)(B) is amended by inserting ", reduced by the amount of any deduction allowable under section 1202 attributable to gain from such property" after "investment".

(5)(A) Section 170(e)(1)(B) is amended by inserting "(or, in the case of a taxpayer other than a corporation, the nondeductible percentage of the amount of gain)" after "the amount of gain".

(B) Section 170(e)(1) is amended by adding at the end thereof the following new sentence: "For purposes of subparagraph (B), the term 'nondeductible percentage' means 100 percent minus the applicable percentage with respect to such property under section 1202(b)."

(6)(A) Section 172(d)(2) (relating to modifications with respect to net operating loss deduction) is amended to read as follows:

"(2) CAPITAL GAINS AND LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation—

"(A) the amount deductible on account of losses from sales or exchanges of capital as-

sets shall not exceed the amount includible on account of gains from sales or exchanges of capital assets; and

"(B) the deduction provided by section 1202 shall not be allowed."

(B) Subparagraph (B) of section 172(d)(4) is amended by inserting ", (2)(B)," after "paragraph (1)".

(7)(A) Section 221 (relating to cross reference) is amended to read as follows:

"SEC. 221. CROSS REFERENCES.

"(1) For deduction for net capital gain, see section 1201.

"(2) For deductions in respect of a decedent, see section 691."

(B) The table of sections for part VII of subchapter B of chapter 1 is amended by striking "reference" in the item relating to section 221 and inserting "references".

(8) Paragraph (4) of section 642(c) is amended to read as follows:

"(4) ADJUSTMENTS.—To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain from the sale or exchange of capital assets held for more than 1 year, proper adjustment shall be made for any deduction allowable to the estate or trust under section 1202 (relating to deduction for net capital gain). In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income)."

(9) Paragraph (3) of section 643(a) is amended by adding at the end thereof the following new sentence: "The deduction under section 1202 (relating to deduction for net capital gain) shall not be taken into account."

(10) Paragraph (6)(C) of section 643(a) is amended—

(A) by inserting "(i)" before "there", and

(B) by inserting ", and (ii) the deduction under section 1202 (relating to deduction for excess of capital gains over capital losses)" before the period at the end thereof.

(11) Paragraph (4) of section 691(c) is amended by striking "1(h),".

(12) The second sentence of paragraph (2) of section 871(a) is amended by inserting "such gains and losses shall be determined without regard to section 1202 (relating to deduction for net capital gain) and" after "except that".

(13)(A) Subparagraph (B) of section 904(b)(2) is amended by striking out so much of such subparagraph as precedes clause (i) and inserting the following:

"(B) SPECIAL RULES WHERE CORPORATE CAPITAL RATE GAIN DIFFERENTIAL.—In the case of a corporation, for any taxable year for which there is a capital gain rate differential—".

(B) Subparagraphs (D) and (E) of section 904(b)(3) are amended to read as follows:

"(D) CAPITAL GAIN RATE DIFFERENTIAL.—There is a capital gain rate differential for any taxable year if any rate of tax imposed by section 11, 511, or 831(a) or (b) (whichever applies) exceeds the alternative rate of tax under section 1201(a) (determined without regard to the last sentence of section 11(b)(1)).

"(E) RATE DIFFERENTIAL PORTION.—The rate differential portion of foreign source net capital gain, net capital, or the excess of net capital gain from sources within the United States over net capital gain, as the case may be, is the same proportion of such amount as—

"(i) the excess of the highest rate of tax specified in section 11(b)(1) over the alternative rate of tax under section 1201(a), bears to

"(ii) the highest rate of tax specified in section 11(b)(1)."

(14) Section 1402(i)(1) is amended to read as follows:

"(1) IN GENERAL.—In determining the net earnings from self-employment of any options dealer or commodities dealer—

"(A) notwithstanding subsection (a)(3)(A), there shall not be excluded any gain or loss (in the normal course of the taxpayer's activity of dealing in or trading section 1256 contracts) from section 1256 contracts or property related to such contracts, and

"(B) the deduction provided by section 1202 shall not apply."

(e) CLERICAL AMENDMENT.—The table of sections for part I of subchapter P of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 1202. Deduction for capital gains."

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years ending on or after April 15, 1991.

(2) TREATMENT OF COLLECTIBLES.—

(A) IN GENERAL.—The amendment made by subsection (b) shall apply to taxable years beginning after April 15, 1991.

(B) SPECIAL RULE FOR 1991 TAXABLE YEAR.—In case of any taxable year which includes April 15, 1991, for purposes of section 1202 of the Internal Revenue Code of 1986 and section 1(h) of such Code, any gain or loss from the sale or exchange of a collectible (within the meaning of section 1222(12) of such Code) shall be treated as gain or loss from a sale or exchange occurring before such date.

SEC. 102. PREVENTION OF EXCESSIVE DEDUCTION.

(a) GENERAL RULE.—Subsections (a) and (b) of section 1250 (relating to gain from disposition of certain depreciable realty) are amended to read as follows:

"(a) GENERAL RULE.—Except as otherwise provided in this section, if section 1250 property is disposed of, the lesser of—

"(1) the depreciation adjustments in respect of such property, or

"(2) the excess of—

"(A) the amount realized (or, in the case of a disposition other than a sale, exchange, or involuntary conversion, the fair market value of such property), over

"(B) the adjusted basis of such property,

shall be treated as gain which is ordinary income. Such gain shall be recognized notwithstanding any other provision of this subtitle.

"(b) DEPRECIATION ADJUSTMENTS.—For purposes of this section, the term 'depreciation adjustments' means, in respect of any property, all adjustments attributable to periods after December 31, 1963, reflected in the adjusted basis of such property on account of deductions (whether in respect of the same or other property) allowed or allowable to the taxpayer or to any other person for exhaustion, wear and tear, obsolescence, or amortization (other than amortization under section 168 (as in effect before its repeal by the Tax Reform Act of 1976), 169, 185 (as in effect before its repeal by the Tax Reform Act of 1986), 188 (as in effect before its repeal by the Revenue Reconciliation Act of 1990), 190, or 193). For purposes of the preceding sentence, if the taxpayer can establish by adequate records or other sufficient evidence that the amount allowed as a deduction for any period was less than the amount allowable, the amount taken into account for such period shall be the amount allowed."

(b) LIMITATION IN CASE OF INSTALLMENT SALES.—Subsection (i) of section 453 is amended—

(1) by striking "1250" the first place it appears and inserting "1250 (as in effect on the day before the date of the enactment of the Economic Growth and Jobs Creation Incentives Act of 1991", and

(2) by striking "1250" the second place it appears and inserting "1250 (as so in effect)".

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (E) of section 1250(d)(4) is amended—

(A) by striking "additional depreciation" and inserting "amount of the depreciation adjustments", and

(B) by striking "ADDITIONAL DEPRECIATION" in the subparagraph heading and inserting "DEPRECIATION ADJUSTMENTS".

(2) Subparagraph (B) of section 1250(d)(6) is amended to read as follows:

"(B) DEPRECIATION ADJUSTMENTS.—In respect of any property described in subparagraph (A), the amount of the depreciation adjustments attributable to periods before the distribution by the partnership shall be—

"(i) the amount of gain to which subsection (a) would have applied if such property had been sold by the partnership immediately before the distribution at its fair market value at such time, reduced by

"(ii) the amount of such gain to which section 751(b) applied."

(3) Subparagraph (D) of section 1250(d)(8) is amended—

(A) by striking "additional depreciation" each place it appears and inserting "amount of the depreciation adjustments", and

(B) by striking "ADDITIONAL DEPRECIATION" in the subparagraph heading and inserting "DEPRECIATION ADJUSTMENTS".

(4) Paragraph (8) of section 1250(d) is amended by striking subparagraphs (E) and (F) and inserting the following:

"(E) ALLOCATION RULES.—For purposes of this paragraph, the amount of gain attributable to the section 1250 property disposed of shall be the net amount realized with respect to such property reduced by the greater of the adjusted basis of the section 1250 property disposed of, or the cost of the section 1250 property acquired, but shall not exceed the gain recognized in the transaction."

(5) Subsection (d) of section 1250 is amended by striking paragraph (10).

(6) Section 1250 is amended by striking subsections (e), (f), and (g) and by redesignating subsections (h) and (i) as subsections (e) and (f), respectively.

(7) Paragraph (5) of section 48(q) is amended to read as follows:

"(5) RECAPTURE OF REDUCTION.—For purposes of sections 1245 and 1250, any reduction under this subsection shall be treated as a deduction allowed for depreciation."

(8) Clause (i) of section 267(e)(5)(D) is amended by striking "section 1250(a)(1)(B)" and inserting "section 1250(a)(1)(B) (as in effect on the day before the date of the enactment of the Economic Growth Act of 1991)".

(9)(A) Subsection (a) of section 291 is amended by striking paragraph (1) and by redesignating paragraphs (2), (3), (4), and (5) as paragraphs (1), (2), (3), and (4), respectively.

(B) Subsection (c) of section 291 is amended to read as follows:

"(c) SPECIAL RULE FOR POLLUTION CONTROL FACILITIES.—Section 168 shall apply with respect to that portion of the basis of any property not taken into account under section 169 by reason of subsection (a)(4)."

(C) Section 291 is amended by striking subsection (d) and redesignating subsection (e) as subsection (d).

(D) Paragraph (2) of section 291(d) (as redesignated by subparagraph (C)) is hereby repealed.

(E) Subparagraph (A) of section 265(b)(3) is amended by striking "291(e)(1)(B)" and inserting "291(d)(1)(B)".

(F) Subsection (c) of section 1277 is amended by striking "291(e)(1)(B)(ii)" and inserting "291(d)(1)(B)(ii)".

(10) Subsection (d) of section 1017 is amended to read as follows:

"(d) RECAPTURE OF DEDUCTIONS.—For purposes of sections 1245 and 1250—

"(1) any property the basis of which is reduced under this section and which is neither section 1245 property nor section 1250 property shall be treated as section 1245 property, and

"(2) any reduction under this section shall be treated as a deduction allowed for depreciation."

(11) Paragraph (5) of section 7701(e) is amended by striking "(relating to low-income housing)" and inserting "(as in effect on the day before the date of the enactment of the Economic Growth and Dividend Act of 1991)."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions made on or after April 15, 1991, in taxable years ending on or after such date.

Subtitle B—Inflation Adjustment for Investments

SEC. 111. INDEXING OF CERTAIN INVESTMENTS AFTER APRIL 15, 1991 FOR PURPOSES OF DETERMINING GAIN.

(a) IN GENERAL.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following new section:

"SEC. 1022. INDEXING OF INVESTMENTS ACQUIRED AFTER APRIL 15, 1991 FOR PURPOSES OF DETERMINING GAIN.

"(a) GENERAL RULE.—

"(1) INDEXED BASIS SUBSTITUTED FOR ADJUSTED BASIS.—Solely for purposes of determining gain on the sale or other disposition by an individual of an indexed asset which has been held for more than 1 year, the indexed basis of the asset shall be substituted for its adjusted basis.

"(2) SPECIAL RULE FOR RECAPTURE GAIN.—

"(A) IN GENERAL.—Paragraph (1) shall not apply for purposes of determining the amount of recapture gain on the sale or other disposition of an indexed asset, but the amount of any such recapture gain shall increase the adjusted basis of the asset for purposes of applying paragraph (1) to determine the amount of other gain on such sale or other disposition.

"(B) RECAPTURE GAIN.—For purposes of subparagraph (A), the term 'recapture gain' means any gain treated as ordinary income under section 1245, 1250, or 1254.

"(b) INDEXED ASSET.—

"(1) IN GENERAL.—For purposes of this section, the term 'indexed asset' means—

"(A) any stock in a corporation, and

"(B) any tangible property (or any interest therein),

which is a capital asset or property used in the trade or business (as defined in section 1231(B)) and the holding period of which begins after April 15, 1991.

"(2) CERTAIN PROPERTY EXCLUDED.—For purposes of this section, the term 'indexed asset' does not include—

"(A) CREDITOR'S INTEREST.—Any interest in property which is in the nature of a creditor's interest.

"(B) COLLECTIBLES.—Any collectible (as defined in section 408(m)(2) without regard to section 408(m)(3)).

"(C) OPTIONS.—Any option or other right to acquire an interest in property.

"(D) NET LEASE PROPERTY.—In the case of a lessor, net lease property (within the meaning of subsection (i)(3)).

"(E) CERTAIN PREFERRED STOCK.—Stock which is fixed and preferred as to dividends and does not participate in corporate growth to any significant extent.

"(F) STOCK IN FOREIGN CORPORATIONS.—Stock in a foreign corporation.

"(G) STOCK IN S CORPORATIONS.—Stock in an S corporation.

"(3) EXCEPTION FOR STOCK IN FOREIGN CORPORATION WHICH IS REGULARLY TRADED ON NATIONAL OR REGIONAL EXCHANGE.—Paragraph (2)(F) shall not apply to stock in a foreign corporation the stock of which is listed on the New York Stock Exchange, the American Stock Exchange, or any domestic regional exchange for which quotations are published on a regular basis or is authorized for trading on the national market system operated by the National Association of Securities Dealers other than—

"(A) stock of a foreign investment company (within the meaning of section 1246(b)),

"(B) stock in a passive foreign investment company (as defined in section 1296), and

"(C) stock in a foreign corporation held by a United States person who meets the requirements of section 1248(a)(2).

"(c) INDEXED BASIS.—For purposes of this section—

"(1) INDEXED BASIS.—The indexed basis for any asset is—

"(A) the adjusted basis of the asset, multiplied by

"(B) the applicable inflation ratio.

"(2) APPLICABLE INFLATION RATIO.—The applicable inflation ratio for any asset shall be determined by dividing—

"(A) the CPI for the calendar year preceding the calendar year in which the disposition takes place, by

"(B) the CPI for the calendar year preceding the calendar year in which the taxpayer's holding period for such asset began.

The applicable inflation ratio shall not be taken into account unless it is greater than 1. The applicable inflation ratio for any asset shall be rounded to the nearest one-hundredth.

"(3) CONVENTIONS.—For purposes of paragraph (2), if any asset is disposed of during any calendar year—

"(A) such disposition shall be treated as occurring on the last day of such calendar year, and

"(B) the taxpayer's holding period for such asset shall be treated as beginning in the same calendar year as would be determined for an asset actually disposed of on such last day with a holding period of the same length as the actual holding period of the asset involved.

"(4) CPI.—For purposes of this subsection, the CPI for any calendar year shall be determined under section 1(f)(4).

"(d) SHORT SALES.—

"(1) IN GENERAL.—In the case of a short sale of an indexed asset with a short sale period in excess of 1 year, for purposes of this title, the amount realized shall be an amount equal to the amount realized (determined without regard to this paragraph) multiplied by the applicable inflation ratio. In applying subsection (c)(2) for purposes of the preceding sentence, the date on which the property is sold short shall be treated as the date on which the holding period for the asset begins and the closing date for the sale shall be treated as the date of disposition.

"(2) SHORT SALE OF SUBSTANTIALLY IDENTICAL PROPERTY.—If the taxpayer or the taxpayer's spouse sells short property substantially identical to an asset held by the taxpayer, the asset held by the taxpayer and the substantially identical property shall not be treated as indexed assets for the short sale period.

"(3) SHORT SALE PERIOD.—For purposes of this subsection, the short sale period begins on the day after property is sold and ends on the closing date for the sale.

"(e) TREATMENT OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

"(1) ADJUSTMENTS AT ENTITY LEVEL.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, the adjustment under subsection (a) shall be allowed to any qualified investment entity (including for purposes of determining the earnings and profits of such entity).

"(B) EXCEPTION FOR CORPORATE SHAREHOLDERS.—Under regulations in the case of a distribution by a qualified investment entity (directly or indirectly) to a corporation—

"(i) the determination of whether such distribution is a dividend shall be made without regard to this section, and

"(ii) the amount treated as gain by reason of the receipt of any capital gain dividend shall be increased by the percentage by which the entity's net capital gain for the taxable year determined without regard to this section exceeds the entity's net capital gain for such year determined with regard to this section.

For purposes of the preceding sentence, any amount includible in gross income under section 852(b)(3)(D) shall be treated as a capital gain dividend and an S corporation shall not be treated as a corporation.

"(C) EXCEPTION FOR QUALIFICATION PURPOSES.—This section shall not apply for purposes of sections 851(b) and 856(c).

"(D) EXCEPTION FOR CERTAIN TAXES IMPOSED AT ENTITY LEVEL.—

"(i) TAX ON FAILURE TO DISTRIBUTE ENTIRE GAIN.—If any amount is subject to tax under section 852(b)(3)(A) for any taxable year, the amount on which tax is imposed under such section shall be increased by the percentage determined under subparagraph (B)(ii). A similar rule shall apply in the case of any amount subject to tax under paragraph (2) or (3) of section 857(b) to the extent attributable to the excess of the net capital gain over the deduction for dividends paid determined with reference to capital gain dividends only. The first sentence of this clause shall not apply to so much of the amount subject to tax under section 852(b)(3)(A) as is designated by the company under section 852(b)(3)(D).

"(ii) OTHER TAXES.—This section shall not apply for purposes of determining the amount of any tax imposed by paragraph (4), (5), or (6) of section 857(b).

"(2) ADJUSTMENTS TO INTERESTS HELD IN ENTITY.—

"(A) IN GENERAL.—Stock in a qualified investment entity shall be an indexed asset for any calendar month in the same ratio as the fair market value of the assets held by such entity at the close of such month which are indexed assets bears to the fair market value of all assets of such entity at the close of such month.

"(B) RATIO OF 90 PERCENT OR MORE.—If the ratio for any calendar month determined under subparagraph (A) would (but for this subparagraph) be 90 percent or more, such ratio for such month shall be 100 percent.

"(C) RATIO OF 10 PERCENT OR LESS.—If the ratio for any calendar month determined under subparagraph (A) would (but for this subparagraph) be 10 percent or less, such ratio for such month shall be zero.

"(D) VALUATION OF ASSETS IN CASE OF REAL ESTATE INVESTMENT TRUSTS.—Nothing in this paragraph shall require a real estate investment trust to value its assets more fre-

quently than once each 36 months (except where such trust ceases to exist). The ratio under subparagraph (A) for any calendar month for which there is no valuation shall be the trustee's good faith judgment as to such valuation.

"(3) QUALIFIED INVESTMENT ENTITY.—For purposes of this subsection, the term 'qualified investment entity' means—

"(A) a regulated investment company (within the meaning of section 851), and

"(B) a real estate investment trust (within the meaning of section 856).

"(f) OTHER PASS-THRU ENTITIES.—

"(1) PARTNERSHIPS.—

"(A) IN GENERAL.—In the case of a partnership, the adjustment made under subsection (a) at the partnership level shall be passed through to the partners (but only for purposes of determining the income of partners who are individuals).

"(B) SPECIAL RULE IN THE CASE OF SECTION 754 ELECTIONS.—In the case of a transfer of an interest in a partnership with respect to which the election provided in section 754 is in effect—

"(i) the adjustment under section 743(b)(1) shall, with respect to the transferor partner, be treated as a sale of the partnership assets for purposes of applying this section, and

"(ii) with respect to the transferee partner, the partnership's holding period for purposes of this section in such assets shall be treated as beginning on the date of such adjustment.

"(2) S CORPORATIONS.—In the case of an S corporation, the adjustment made under subsection (a) at the corporate level shall be passed through to the shareholders. This section shall not apply for purposes of determining the amount of any tax imposed by section 1374 or 1375.

"(3) COMMON TRUST FUNDS.—In the case of a common trust fund, the adjustment made under subsection (a) at the trust level shall be passed through to the participants (but only for purposes of determining the income of participants who are individuals).

"(g) DISPOSITIONS BETWEEN RELATED PERSONS.—This section shall not apply to any sale or other disposition of property between related persons (within the meaning of section 465(b)(3)(C)) if such property, in the hands of the transferee, is of a character subject to the allowance for depreciation provided in section 167.

"(h) SPECIAL RULES.—For purposes of this section—

"(1) TREATMENT AS SEPARATE ASSET.—In the case of any asset, the following shall be treated as a separate asset:

"(A) A substantial improvement to property.

"(B) In the case of stock of a corporation, a substantial contribution to capital.

"(2) ASSETS WHICH ARE NOT INDEXED ASSETS THROUGHOUT HOLDING PERIOD.—The applicable inflation ratio shall be appropriately reduced for periods during which the asset was not an indexed asset.

"(3) NET LEASE PROPERTY DEFINED.—The term 'net lease property' means leased property where—

"(A) the term of the lease (taking into account options to renew) was 50 percent or more of the useful life of the property, and

"(B) for the period of the lease, the sum of the deductions with respect to such property which are allowable to the lessor solely by reason of section 162 (other than rents and reimbursed amounts with respect to such property) is 15 percent or less of the rental income produced by such property."

(b) GAINS AND LOSSES FROM INDEXED ASSETS NOT TAKEN INTO ACCOUNT UNDER LIMITATION ON INVESTMENT INTEREST.—Subparagraph (B) of section 163(d)(4) (defining investment income) is amended by adding at the end thereof the following new sentences:

"Gain from the sale or other disposition of an indexed asset (as defined in section 1022) held for more than 1 year shall not be taken into account for purposes of the preceding sentence. The preceding sentence shall not apply to gain from the sale or other disposition of any such asset if the taxpayer elects to waive the benefits of section 1022 in determining the amount of such gain."

(c) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of chapter 1 is amended by inserting after the item relating to section 1021 the following new item:

"Sec. 1022. Indexing of investments acquired after April 15, 1990 for purposes of determining gain."

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to dispositions of any property the holding period of which begins after April 15, 1991.

(2) EXCEPTION FOR CERTAIN TRANSACTIONS BETWEEN RELATED PERSONS.—The amendments made by subsections (a) and (b) shall not apply to any property acquired after April 15, 1991, from a related person (as defined in section 465(b)(3)(C) of the Internal Revenue Code of 1986) if—

(A) such property was so acquired for a price less than the property's fair market value, and

(B) the amendments made by this section did not apply to such property in the hands of such related person.

Subtitle C—Enterprise Zones

PART I—DESIGNATION

SEC. 121. DESIGNATION OF ZONES.

(a) GENERAL RULE.—Chapter 80 (relating to general rules) is amended by adding at the end thereof the following new subchapter:

"Subchapter D—Designation of Enterprise Zones

"Sec. 7880. Designation.

"SEC. 7880. DESIGNATION.

"(a) DESIGNATION OF ZONES.—

"(1) DEFINITION.—For purposes of this title, the term 'enterprise zone' means any area—

"(A) which is nominated by one or more local governments and the State or States in which it is located for designation as an enterprise zone (hereinafter in this section referred to as a 'nominated area'), and

"(B) which the Secretary of Housing and Urban Development, after consultation with—

"(i) the Secretaries of Agriculture, Commerce, Labor, and the Treasury; the Director of the Office of Management and Budget; and the Administrator of the Small Business Administration, and

"(ii) in the case of an area on an Indian reservation, the Secretary of the Interior,

designates as an enterprise zone.

"(2) AUTHORITY TO DESIGNATE.—The Secretary of Housing and Urban Development is authorized to designate enterprise zones in accordance with the provisions of this section.

"(3) LIMITATIONS ON DESIGNATIONS.—

"(A) PUBLICATION OF REGULATIONS.—Before designating any area as an enterprise zone and not later than 4 months following the date of the enactment of this section, the Secretary of Housing and Urban Development shall prescribe by regulation, after consultation with the officials described in paragraph (1)(B)—

"(i) the procedures for nominating an area, and

"(ii) the procedures for designation as an enterprise zone, including a method for comparing courses of action under subsection (d) proposed for nominated areas, and the other factors specified in subsection (e).

"(B) TIME LIMITATIONS.—The Secretary of Housing and Urban Development shall designate nominated areas as enterprise zones only during the 48-month period beginning on the later of—

"(i) the first day of the first month following the month in which the effective date of the regulations described in subparagraph (A) occurs, or

"(ii) June 30, 1991.

"(C) NUMBER OF DESIGNATIONS.—

"(i) IN GENERAL.—The Secretary of Housing and Urban development may designate—

"(I) not more than 50 nominated areas as enterprise zones under this section and

"(II) not more than 15 nominated areas as enterprise zones during the first 12-month period beginning on the date determined under subparagraph (B), not more than 30 by the end of the second 12-month period, not more than 45 by the end of the third 12-month period, and not more than 50 by the end of the fourth 12-month period.

"(ii) MINIMUM DESIGNATION IN RURAL AREAS.—Of the areas designated as enterprise zones, at least one-third must be areas that are—

"(I) within a local government jurisdiction or jurisdictions with a population of less than 50,000 (as determined using the most recent census data available);

"(II) outside of a metropolitan statistical area (within the meaning of section 143(k)(2)(B)); or

"(III) determined by the Secretary of Housing and Urban Development, after consultation with the Secretary of Commerce, to be rural areas.

"(D) PROCEDURAL RULES.—The Secretary of Housing and Urban Development shall not make any designations under this section unless—

"(i) the local government and the State in which the nominated area is located have the authority to—

"(I) nominate such area for designation as an enterprise zone,

"(II) make the State and local commitments under subsection (d), and

"(III) provide assurances satisfactory to the Secretary of Housing and Urban development that such commitments will be fulfilled, and

"(ii) a nomination therefor is submitted by such State and local governments in such a manner and in such form, and contains such information, as the Secretary of Housing and Urban Development shall prescribe by regulation.

"(4) NOMINATION PROCESS FOR INDIAN RESERVATIONS.—In the case of a nominated area on an Indian reservation, the reservation governing body (as determined by the Secretary of the Interior) shall be deemed to be both the State and local governments with respect to such area.

"(b) TIME PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

"(1) IN GENERAL.—Any designation of an area as an enterprise zone shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

"(A) December 31 of the 24th calendar year following the calendar year in which such date occurs,

"(B) the termination date specified by the State and local governments as provided in the nomination submitted in accordance with subsection (a)(3)(D)(ii),

"(C) such other date as the Secretary of Housing and Urban Development shall specify as a condition of designation, or

"(D) the date upon which the Secretary of Housing and Urban Development revokes such designation.

"(2) REVOCATION OF DESIGNATION.—The Secretary of Housing and Urban Development, after consultation with the officials described in subsection (a)(1)(B), may revoke the designation of an area if the Secretary of Housing and Urban Development determines that the State or a local government in which the area is located is not complying substantially with the agreed course of action for the area.

"(c) AREA AND ELIGIBILITY REQUIREMENTS.—

"(1) IN GENERAL.—The Secretary of Housing and Urban Development may designate a nominated area as an enterprise zone only if it meets the requirements of paragraphs (2) and (3).

"(2) AREA REQUIREMENTS.—A nominated area meets the requirements of this paragraph if—

"(A) the area is within the jurisdiction of the local government;

"(B) the boundary of the area is continuous; and

"(C) the area—

"(i) has a population, as determined by the most recent census data available, of not less than—

"(I) 4,000 if any portion of such area (other than a rural area described in subsection (a)(3)(C)(ii)) is located within a metropolitan statistical area (as designated by the Director of the Office of Management and Budget) with a population of 50,000 or more; or

"(II) 1,000 in any other case; or

"(ii) is entirely within an Indian reservation (as determined by the Secretary of the Interior).

"(3) ELIGIBILITY REQUIREMENTS.—For purposes of paragraph (1), a nominated area meets the requirements of this paragraph if the State or local governments in which the nominated area is located certifies, and the Secretary of Housing and Urban Development accepts such certification, that—

"(A) the area is one of pervasive poverty, unemployment and general distress;

"(B) the area is located wholly within the jurisdiction of a local government that is eligible for Federal assistance under section 119 of the Housing and Community Development Act of 1974, as in effect on the date of the enactment of this Act;

"(C) the unemployment rate for the area, as determined by the appropriate available data, was not less than 1.5 times the national unemployment rate for the period;

"(D) the poverty rate (as determined by the most recent census data available) for each populous census tract (or where not tracted, the equivalent county division as defined by the Bureau of the Census for the purpose of defining poverty areas) within the area was not less than 20 percent for the period to which such data relate; and

"(E) the area meets at least one of the following criteria:

"(i) Not less than 70 percent of the households living in the area have incomes below 80 percent of the median income of households of the local government (determined in the same manner as under section 119(b)(2) of the Housing and Community Development Act of 1974).

"(ii) The population of the area decreased by 20 percent or more between 1970 and 1980 (as determined from the most recent census available).

"(4) ELIGIBILITY REQUIREMENTS FOR RURAL AREAS.—For purposes of paragraph (1), a nominated area that is a rural area described in subsection (a)(3)(C)(ii) meets the requirements of paragraph (3) if the State and local governments in which it is located certify and the Secretary, after such review of supporting data as he deems appropriate, accepts such certification, that the area meets—

"(A) the criteria set forth in subparagraphs (A) and (B) of paragraph (3); and

"(B) not less than one of the criteria set forth in the other subparagraphs of paragraph (3).

"(d) REQUIRED STATE AND LOCAL COMMITMENTS.—

"(1) IN GENERAL.—No nominated area shall be designated as an enterprise zone unless the State and the local government or governments of the jurisdictions in which the nominated area is located agree in writing that, during any period during which the nominated area is an enterprise zone, such governments will follow a specified course of action designed to reduce the various burdens borne by employers or employees in such area.

"(2) COURSE OF ACTION.—The course of action under paragraph (1) may include, but is not limited to—

"(A) the reduction or elimination of tax rates or fees applying within the enterprise zone,

"(B) actions to reduce, remove, simplify, or streamline governmental requirements applying within the enterprise zone,

"(C) an increase in the level or efficiency of local services within the enterprise zone, for example, crime prevention, and drug enforcement prevention and treatment,

"(D) involvement in the program by private entities, organizations, neighborhood associations, and community groups, particularly those within the nominated area, including a commitment from such private entities to provide jobs and job training for, and technical, financial or other assistance to, employers, employees, and residents of the nominated area,

"(E) mechanisms to increase equity ownership by residents and employees within the enterprise zone,

"(F) donation (or sale below market value) of land and buildings to benefit low and moderate income people,

"(G) linkages to—

"(i) job training,

"(ii) transportation,

"(iii) education,

"(iv) day care,

"(v) health care, and

"(vi) other social service support,

"(H) provision of supporting public facilities, and infrastructure improvements,

"(I) encouragement of local entrepreneurship; and

"(J) other factors determined essential to support enterprise zone activities and encourage livability or quality of life.

"(3) LATER MODIFICATION OF A COURSE OF ACTION.—The Secretary of Housing and Urban Development may by regulation prescribe procedures to permit or require a course of action to be updated or modified during the time that a designation is in effect.

"(e) PRIORITY OF DESIGNATION.—In choosing nominated areas for designation, the Secretary of Housing and Urban Development shall give preference to the nominated areas—

"(1) with respect to which the strongest and highest quality contributions have been promised as part of the course of action, taking into consideration the fiscal ability of the nominating State and local governments to provide tax relief,

"(2) with respect to which the nominating State and local governments have provided the most effective and enforceable guarantees that the proposed course of action will actually be carried out during the period of the enterprise zone designation,

"(3) with respect to which private entities have made the most substantial commitments in additional resources and contributions, including the creation of new or expanded business activities, and

"(4) which best exhibit such other factors determined by the Secretary of Housing and Urban Development, including relative distress, as are consistent with the intent of the enterprise zone program and have the greatest likelihood of success.

"(f) GEOGRAPHIC DISTRIBUTION.—In making designations, the Secretary of Housing and Urban Development will take into consideration a reasonable geographic distribution of enterprise zones.

"(g) DEFINITIONS.—For the purposes of this title—

"(1) GOVERNMENTS.—If more than one government seeks to nominate an area as an enterprise zone, any reference to, or requirement of, this section shall apply to all such governments.

"(2) STATE.—The term 'State' shall also include Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and any other possession of the United States.

"(3) LOCAL GOVERNMENT.—The term 'local government' means—

"(A) any county, city, town, township, parish, village, or other general purpose political subdivision of a State,

"(B) any combination of political subdivisions described in subparagraph (A) recognized by the Secretary of Housing and Urban Development, and

"(C) the District of Columbia.".

"(h) CROSS REFERENCES FOR—

"(1) definitions, see section 1391,

"(2) treatment of employees in enterprise zones, see section 1392, and

"(3) treatment of investments in enterprise zones, see sections 1393 and 1394.".

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 80 is amended by adding at the end thereof the following new item:

"SUBCHAPTER D. Designation of enterprise zones.".

SEC. 122. REPORTING REQUIREMENTS.

Not later than the close of the second calendar year after the calendar year in which the Secretary of Housing and Urban Development first designates areas as enterprise zones, and at the close of each second calendar year thereafter, the Secretary of Housing and Urban Development shall submit to the Congress a report on the effects of such designation in accomplishing the purposes of this Act.

SEC. 123. INTERACTION WITH OTHER FEDERAL PROGRAMS.

(a) COORDINATION WITH RELOCATION ASSISTANCE.—The designation of an enterprise zone under section 7880 of the Internal Revenue Code of 1986 (as added by this Act) shall not—

(1) constitute approval of a Federal or federally assisted program or project (within

the meaning of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601)); or

(2) entitle any person displaced from real property located in such zone to any rights or any benefits under such Act.

(b) COORDINATION WITH ENVIRONMENTAL POLICY.—Designation of an enterprise zone under section 7880 of such Code shall not constitute a Federal action for purposes of applying the procedural requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4341) or other provisions of Federal law relating to the protection of the environment.

PART II—FEDERAL INCOME TAX INCENTIVES

SEC. 131. DEFINITIONS AND REGULATIONS; EMPLOYEE CREDIT; CAPITAL GAIN EXCLUSION; STOCK EXPENSING.

(a) GENERAL RULE.—Chapter 1 (relating to normal tax and surtax rules) is amended by inserting after subchapter T the following new subchapter:

"Subchapter U—Enterprise Zones

"Sec. 1391. Definitions and regulatory authority.

"Sec. 1392. Credit for enterprise zone employees.

"Sec. 1393. Enterprise zone capital gain.

"Sec. 1394. Enterprise zone stock.

"SEC. 1391. DEFINITIONS AND REGULATORY AUTHORITY.

"(a) ENTERPRISE ZONE.—

"(1) IN GENERAL.—For purposes of this subchapter, the term 'enterprise zone' means any area which the Secretary of Housing and Urban Development designates pursuant to section 7880(a) as a Federal enterprise zone for purposes of this title.

"(2) TERMINATION OF ENTERPRISE ZONE.—An area will cease to constitute an enterprise zone once its designation as such terminates or is revoked under section 7880(b).

"(b) ENTERPRISE ZONE BUSINESS.—

"(1) IN GENERAL.—For purposes of this subchapter, the term 'enterprise zone business' means an activity constituting the active conduct of a trade or business within an enterprise zone, and with respect to which—

"(A) at least 80 percent of the gross income in each calendar year is attributable to the active conduct of a trade or business within an enterprise zone,

"(B) less than 10 percent of the property (as measured by unadjusted basis) constitutes stocks, securities, or property held for use by customers,

"(C) no more than an insubstantial portion of the property constitutes collectibles (as defined in section 408(m)(2)), unless such collectibles constitute property held primarily for sale to customers in the ordinary course of the active trade or business,

"(D) substantially all of the property (whether owned or leased) is located within an enterprise zone, and

"(E) substantially all of the employees work within an enterprise zone.

"(2) RELATED ACTIVITIES TAKEN INTO ACCOUNT.—Except as otherwise provided in regulations, all activities conducted by a taxpayer and persons related to the taxpayer shall be treated as one activity for purposes of paragraph (1).

"(3) SPECIAL RULES.—

"(A) RENTAL REAL PROPERTY.—For purposes of paragraph (1), real property located within an enterprise zone and held for use by customers other than related persons shall be treated as the active conduct of a trade or business for purposes of paragraph (1)(A) and as not subject to paragraph (1)(B).

"(B) TERMINATION OF ENTERPRISE ZONE BUSINESS.—An activity shall cease to be an enterprise zone business if—

"(i) the designation of the enterprise zone in which the activity is conducted terminates or is revoked pursuant to section 7880(b);

"(ii) more than 50 percent (by value) of the activity's property or services are obtained from related persons other than enterprise zone businesses; or

"(iii) more than 50 percent of the activity's gross income is attributable to property or services provided to related persons other than enterprise zone businesses.

"(c) ENTERPRISE ZONE PROPERTY.—

"(1) IN GENERAL.—For purposes of this subchapter, the term 'enterprise zone property' means—

"(A) any tangible personal property located in an enterprise zone and used by the taxpayer in an enterprise zone business, and

"(B) any real property located in an enterprise zone and used by the taxpayer in an enterprise zone business.

In no event shall any financial property or intangible interest in property be treated as constituting enterprise zone property, whether or not such property is used in the active conduct of an enterprise zone business.

"(2) TERMINATION OF ENTERPRISE ZONE.—The treatment of property as enterprise zone property under subparagraph (A) shall not terminate upon the termination or revocation of the designation of the enterprise zone in which the property is located, but instead shall terminate immediately after the first sale or exchange of such property occurring after the expiration or revocation.

"(d) RELATED PERSONS.—For purposes of this subchapter, a person shall be treated as related to another person if—

"(1) the relationship of such persons is described in section 267(b) or 707(b)(1), or

"(2) such persons are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of section 52).

For purposes of paragraph (1), in applying section 267(b) or 707(b)(1), '33 percent' shall be substituted for '50 percent'.

"(e) REGULATORY AUTHORITY.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of subtitle C of title II of the Economic Growth Act of 1991, including—

"(1) providing that Federal tax relief is unavailable to an activity that does not stimulate employment in, or revitalization of, enterprise zones,

"(2) providing for appropriate coordination with other Federal programs that, in combination, might enable activity within enterprise zones to be more than 100 percent subsidized by the Federal Government, and

"(3) preventing the avoidance of the rules in this subchapter.

"SEC. 1392. CREDIT FOR ENTERPRISE ZONE EMPLOYEES.

"(a) GENERAL RULE.—In the case of a taxpayer who is an enterprise zone employee, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to 5 percent of so much of the qualified wages of the taxpayer for the taxable year as does not exceed $10,500.

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

"(1) ENTERPRISE ZONE EMPLOYEE.—The term 'enterprise zone employee' means an individual—

"(A) performing services during the taxable year that are directly related to the conduct of an enterprise zone business,

"(B) substantially all of the services described in paragraph (1)(A) are performed within an enterprise zone, and

"(C) the employer for whom the services described in paragraph (1)(A) are performed is not the Federal government, any State government or subdivision thereof, or any local government.

"(2) WAGES.—The term 'wages' has the meaning given to such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such subsection).

"(3) QUALIFIED WAGES.—The term 'qualified wages' means all wages of the taxpayer, to the extent attributable to services described in paragraph (1).

"(c) LIMITATIONS.—

"(1) PHASE-OUT OF CREDIT.—The amount of the credit allowable to a taxpayer under subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(A) $525, over

"(B) 10.5 percent of so much of the taxpayer's total wages (whether or not constituting qualified wages) as exceeds $20,000.

"(2) PARTIAL TAXABLE YEAR.—If designation of an area as an enterprise zone occurs, expires, or is revoked pursuant to section 7880 on a date other than the first or last day of the taxable year of the taxpayer, or in the case of a short taxable year, the limitations specified in subsection (c)(1) shall be adjusted on a pro rata basis (based upon the number of days).

"(d) REDUCTION OF CREDIT TO TAXPAYERS SUBJECT TO ALTERNATIVE MINIMUM TAX.—The credit allowed under this section for the taxable year shall be reduced by the amount (if any) of tax imposed by section 55 (relating to the alternative minimum tax) with respect to such taxpayer for such year.

"(e) CREDIT TREATED AS SUBPART C CREDIT.—For purposes of this title, the credit allowed under subsection (a) shall be treated as a credit allowed under subpart C of part IV of subchapter A of this chapter.

"SEC. 1393. ENTERPRISE ZONE CAPITAL GAIN.

"(a) GENERAL RULE.—Gross income does not include the amount of any gain constituting enterprise zone capital gain.

"(b) DEFINITION.—For purposes of this section—

"(1) IN GENERAL.—The term 'enterprise zone capital gain' means gain—

"(A) treated as long-term capital gain,

"(B) allocable in accordance with the rules under subsection (b)(5) of section 338 to the sale or exchange of enterprise zone property, and

"(C) properly attributable to periods of use in an enterprise zone business.

"(2) LIMITATIONS.—Enterprise zone capital gain does not include any gain attributable to—

"(A) the sale or exchange of property not constituting enterprise zone property with respect to the taxpayer throughout the period of twenty-four full calendar months immediately preceding the sale or exchange,

"(B) any collectibles (as defined in section 408(m)), or

"(C) sales or exchanges to persons controlled by the same interests.

"(c) BASIS.—Amounts excluded from gross income pursuant to subsection (a) shall not be applied in reduction to the basis of any property held by the taxpayer.

"SEC. 1394. ENTERPRISE ZONE STOCK.

"(a) GENERAL RULE.—At the election of any individual, the aggregate amount paid

by such taxpayer during the taxable year for the purchase of enterprise zone stock on the original issue of such stock by a qualified issuer shall be allowed as a deduction.

"(b) LIMITATIONS.—

"(1) CEILING.—The maximum amount allowed as a deduction under subsection (a) to a taxpayer shall not exceed $50,000 for any taxable year, nor $250,000 during the taxpayer's lifetime.

"(A) EXCESS AMOUNTS.—If the amount otherwise deductible by any person under subsection (a) exceeds the limitation under this paragraph (1)—

"(i) the amount of such excess shall be treated as an amount paid in the next taxable year, and

"(ii) the deduction allowed for any taxable year shall be allocated among the enterprise zone stock purchased by such person in accordance with the purchase price per share.

"(2) RELATED PERSON.—

"(A) IN GENERAL.—The taxpayer and all individuals related to the taxpayer shall be treated as one person for purposes of the limitations described in subsection (b)(1).

"(B) EXCESS AMOUNTS.—The limitations described in subsection (b)(1) shall be allocated among the taxpayer and related persons in accordance with their respective purchases of enterprise zone stock.

"(3) PARTIAL TAXABLE YEAR.—If designation of an area as an enterprise zone occurs, expires, or is revoked pursuant to section 7880 on a date other than the first or last day of the taxable year of the taxpayer, or in the case of a short taxable year, the limitations specified in subsection (b)(1) shall be adjusted on a pro rata basis (based upon the number of days).

"(c) DISPOSITIONS OF STOCK.—

"(1) GAIN TREATED AS ORDINARY INCOME.—Except as otherwise provided in regulations, if a taxpayer disposes of any enterprise zone stock with respect to which a deduction was allowed under subsection (a), the amount realized upon such disposition shall be treated as ordinary income and recognized notwithstanding any other provision of this subtitle.

"(2) INTEREST CHARGED IF DISPOSITION WITHIN 5 YEARS OF PURCHASE.—

"(A) IN GENERAL.—If a taxpayer disposes of any enterprise zone stock before the end of the 5-year period beginning on the date such stock was purchased by the taxpayer, the tax imposed by this chapter for the taxable year in which such disposition occurs shall be increased by the amount determined under subparagraph (B).

"(B) ADDITIONAL AMOUNT.—For purposes of subparagraph (A), the additional amount shall be equal to the amount of interest (determined at the rate applicable under section 6621(a)(2)) that would accrue—

"(i) during the period beginning on the date the stock was purchased by the taxpayer and ending on the date such stock was disposed of by the taxpayer,

"(ii) on an amount equal to the aggregate decrease in tax of the taxpayer resulting from the deduction allowed under this subsection (a) with respect to the stock so disposed of.

"(d) DISQUALIFICATION.—

"(1) ISSUER OR STOCK CEASES TO QUALIFY.—If a taxpayer elects the deduction under subsection (a) with respect to enterprise zone stock, and either—

"(A) the issuer with respect to which the election was made ceases to be a qualified issuer, or

"(B) the proceeds from the issuance of the taxpayer's enterprise zone stock fail or otherwise cease to be invested by the issuer in enterprise zone property, then, notwithstanding any provision of this subtitle other than paragraph (2) to the contrary, the taxpayer shall recognize as ordinary income the amount of the deduction allowed under subsection (a) with respect to the issuer's enterprise zone stock.

"(2) SPECIAL RULES.—

"(A) LIQUIDATION.—Where enterprise zone property acquired with proceeds from the issuance of enterprise zone stock is sold or exchanged pursuant to a plan of complete liquidation, the treatment described in paragraph (1) shall be inapplicable.

"(B) TERMINATION OF ENTERPRISE ZONE.—The treatment of an activity as an enterprise zone business shall not cease for purposes of paragraph (1) solely by reason of the termination or revocation of the designation of the enterprise zone with respect to the activity.

"(C) PARTIAL DISQUALIFICATION.—Where some, but not all, of the property acquired by the issuer with the proceeds of enterprise zone stock ceases to constitute enterprise zone property, the treatment described in paragraph (1) shall be modified as follows—

"(i) the total amount recognized as ordinary income by all shareholders of the issuer shall be limited to an amount of deduction allowed up to the unadjusted basis of property ceasing to constitute enterprise zone property,

"(ii) the amount recognized shall be allocated among enterprise zone stock with respect to which the election in subsection (a) was made in the reverse order in which such stock was issued, and

"(iii) the amount recognized shall be apportioned among taxpayers having made the election in subsection (a) in the ratios in which the stock described in paragraph (2)(C)(ii) was purchased.

"(3) ADDITIONAL AMOUNT.—If income is recognized pursuant to paragraph (1) at any time before the close of the 5th calendar year ending after the date the enterprise zone stock was purchased, the tax imposed by this chapter with respect to such income shall be increased by an amount equal to the amount of interest (determined at the rate applicable under section 6621(a)(2)) that would accrue—

"(A) during the period beginning on the date the stock was purchased by the taxpayer and ending on the date of the disqualification event described in paragraph (1),

"(B) on an amount equal to the aggregate decrease in tax of the taxpayer resulting from the deduction allowed under this subsection (a) with respect to the stock so disqualified.

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

"(1) ENTERPRISE ZONE STOCK.—The term 'enterprise zone stock' means common stock issued by a qualified issuer, but only to the extent that the amount of proceeds of such issuance are used by such issuer no later than twelve months followed issuance to acquire and maintain an equal amount of newly acquired enterprise zone property.

"(2) QUALIFIED ISSUER.—

"(A) IN GENERAL.—The term 'qualified issuer' means any subchapter C corporation which—

"(i) does not have more than one class of stock,

"(ii) is engaged solely in the conduct of one or more enterprise zone businesses,

"(iii) does not own or lease more than $5 million of total property (including money), as measured by the unadjusted basis of the property, and

"(iv) more than 20 percent of the total voting power and 20 percent of the total value of the stock of such corporation is owned by individuals, partnerships, estates or trusts.

"(B) LIMITATION ON TOTAL ISSUANCES.—A qualified issuer may issue no more than an aggregate of $5 million of enterprise zone stock.

"(C) AGGREGATION.—For purposes of applying the limitations under paragraph (2), the issuer and all related persons shall be treated as one person.

"(3) AMOUNT PAID.—For purposes of subsection (a), the amount 'paid' by a taxpayer for any taxable year shall not include the issuance of evidences of indebtedness of the taxpayer (whether or not such indebtedness is guaranteed by another person), nor amounts paid by the taxpayer after the close of the taxable year.

"(f) ISSUANCES IN EXCHANGE FOR PROPERTY.—If enterprise zone stock is issued in exchange for property, then notwithstanding any provision of subchapter C of this chapter to the contrary—

"(1) the issuance shall be treated for purposes of this subtitle as the sale of the property at its then fair market value to the corporation, and a contribution to the corporation of the proceeds immediately thereafter in exchange for the enterprise zone stock, and

"(2) the issuer's basis for the property shall be equal to the fair market value of such property at the time of issuance.

"(g) BASIS ADJUSTMENT.—For purposes of this subtitle, if a taxpayer elects the deduction under subsection (a), the taxpayer's basis (without regard to this subsection) for the enterprise zone stock with respect to such election shall be reduced by the deduction allowed or allowable.

"(h) LIMITATIONS ON ASSESSMENT AND COLLECTION.—If a taxpayer elects the deduction under subsection (a) for any taxable year, then—

"(1) the period for assessment and collection of any deficiency attributable to any part of the deduction shall not expire before one year following expiration of such period of the qualified issuer that includes the circumstances giving rise to the deficiency, and

"(2) such deficiency may be assessed before expiration of the period described in paragraph (1) notwithstanding any provisions of this subtitle to the contrary.

"(i) CROSS REFERENCE.—

For treatment of the deduction under subsection (a) for purposes of the alternative minimum tax, see section 56.".

(b) TECHNICAL AMENDMENT.—Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (23); by striking out the period at the end of paragraph (24) and inserting in lieu thereof "; and"; and by adding at the end thereof the following new paragraph:

"(25) to the extent provided in section 1394(g), in the case of stock with respect to which a deduction was allowed or allowable under section 1394(a).".

(c) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 is amended by inserting after the item relating to subchapter T the following new item:

"SUBCHAPTER U. Enterprise zones."

SEC. 132. ALTERNATIVE MINIMUM TAX.

(a) CORPORATIONS.—Section 56(g)(4)(B) (relating to adjustments based on adjusted current earnings of corporations) is amended by adding the following new clause at the end thereof:

"(iii) EXCLUSION OF ENTERPRISE ZONE CAPITAL GAIN.—Clause (i) shall not apply in the

case of any enterprise zone capital gain (as defined in section 1393(b)), and such gain shall not be included in income for purposes of computing alternative minimum taxable income.".

(b) INDIVIDUALS.—Section 56(b) (relating to adjustments to the alternative minimum taxable income of individuals) is amended by adding the following new paragraph at the end thereof:

"(4) ENTERPRISE ZONE STOCK.—No deduction shall be allowed for the purchase of enterprise zone stock (as defined in section 1394(e)).".

SEC. 133. ADJUSTED GROSS INCOME DEFINED.

Section 62(a) (relating to the definition of adjusted gross income) is amended by inserting after paragraph (14) the following new paragraph:

"(15) ENTERPRISE ZONE STOCK.—The deduction allowed by section 1394.".

SEC. 134. EFFECTIVE DATE.

The amendments made by this part shall apply to taxable years ending after December 31, 1990.

PART III—REGULATORY FLEXIBILITY

SEC. 141. DEFINITION OF SMALL ENTITIES IN ENTERPRISE ZONE FOR PURPOSES OF ANALYSIS OF REGULATORY FUNCTIONS.

Section 601 of title 5, United States Code, is amended by—

(1) striking out "and" at the end of paragraph (5); and

(2) striking out paragraph (6) and inserting in lieu thereof the following:

"(6) the term 'small entity' means—

"(A) a small business, small organization, or small governmental jurisdiction defined in paragraphs (3), (4), and (5) of this section, respectively; and

"(B) any qualified enterprise zone business; any unit of government that nominated an area which the Secretary of Housing and Urban Development designates as an enterprise zone (within the meaning of section 7880 of the Internal Revenue Code of 1986) that has a rule pertaining to the carrying out of any project, activity, or undertaking within such zone; and any not-for-profit enterprise carrying out a significant portion of its activities within such a zone; and

"(7) the term 'qualified enterprise zone business' means any person, corporation, or other entity—

"(A) which is engaged in the active conduct of a trade or business within an enterprise zone (within the meaning of section 7880 of the Internal Revenue Code of 1986); and

"(B) for whom at least 50 percent of its employees are qualified employees (within the meaning of section 1392(b)(1) of such Code).".

SEC. 142. WAIVER OR MODIFICATION OF AGENCY RULES IN ENTERPRISE ZONES.

(a) Chapter 6 of title 5, United States Code, is amended by redesignating sections 611 and 612 as sections 612 and 613, respectively, and inserting the following new section immediately after section 610:

"§611. Waiver or modification of agency rules in enterprise zones

"(a) Upon the written request of any government which nominated an area that the Secretary of Housing and Urban Development has designated as an enterprise zone under section 7880 of the Internal Revenue Code of 1986, an agency is authorized, in order to further the job creation, community development, or economic revitalization objectives with respect to such zone, to waive or modify all or part of any rule which it has authority to promulgate, as such rule pertains to the carrying out of projects, activities, or undertakings within such zone.

"(b) Nothing in this section shall authorize an agency to waive or modify any rule adopted to carry out a statute or Executive order which prohibits, or the purpose of which is to protect persons against, discrimination on the basis of race, color, religion, sex, familial status, national origin, age, or handicap.

"(c) A request under subsection (a) shall specify the rule or rules to be waived or modified and the change proposed, and shall briefly describe why the change would promote the achievement of the job creation, community development, or economic revitalization objectives of the enterprise zone. If such a request is made to any agency other than the Department of Housing and Urban Development, the requesting government shall send a copy of the request to the Secretary of Housing and Urban Development at the time the request is made.

"(d) In considering a request, the agency shall weigh the extent to which the proposed change is likely to further job creation, community development, or economic revitalization within the enterprise zone against the effect the change is likely to have on the underlying purposes of applicable statutes in the geographic area which would be affected by the change. The agency shall approve the request whenever it finds, in its discretion, that the public interest which the proposed change would serve in furthering such job creation, community development, or economic revitalization outweighs the public interest which continuation of the rule unchanged would serve. The agency shall not approve any request to waive or modify a rule if that waiver or modification would—

"(1) violate a statutory requirement (including any requirements of the Fair Labor Standards Act of 1938 (52 Stat. 1060; 29 U.S.C. 201 et seq.)); or

"(2) be likely to present a significant risk to the public health, including environmental or occupational health or safety, or of environmental pollution.

"(e) If a request is disapproved, the agency shall inform all the requesting governments, and the Department of Housing and Urban Development, in writing of the reasons therefor and shall, to the maximum extent possible, work with such governments to develop an alternative, consistent with the standards contained in subsection (d).

"(f) Agencies shall discharge their responsibilities under this section in an expeditious manner, and shall make a determination on requests not later than 90 days after their receipt.

"(g) A waiver or modification of a rule under subsection (a) shall not be considered to be a rule, rulemaking, or regulation under chapter 5 of this title. To facilitate reaching its decision on any requested waiver or modification, the agency may seek the views of interested parties and, if the views are to be sought, determine how they should be obtained and to what extent, if any, they should be taken into account in considering the request. The agency shall publish a notice in the Federal Register stating any waiver or modification of a rule under this section, the time such waiver or modification takes effect and its duration, and the scope of applicability of such waiver or modification.

"(h) In the event that an agency proposes to amend a rule for which a waiver or modification under this section is in effect, the agency shall not change the waiver or modification to impose additional requirements unless it determines, consistent with standards contained in subsection (d), that such action is necessary. Such determinations shall be published with the proposal to amend such rule.

"(i) No waiver or modification of a rule under this section shall remain in effect with respect to an enterprise zone after the enterprise zone designation has expired or has been revoked.

"(j) For purposes of this section, the term 'rule' means (1) any rule as defined in section 551(4) of this title or (2) any rulemaking conducted on the record after opportunity for an agency hearing pursuant to sections 556 and 557 of this title.".

(b) The analysis for chapter 6 of title 5, United States Code, is amended by redesignating the items relating to sections 611 and 612 as items relating to sections 612 and 613, respectively, and by inserting after the item relating to section 610 the following new item:

"611. Waiver or modification of agency rules in enterprise zones.".

(c) Section 601(2) of such title 5 is amended by inserting "(except for purposes of section 611" immediately before "means".

(d) Section 613 of such title 5, as redesignated by subsection (a), is amended—

(1) in subsection (a) by inserting "(except section 611)" immediately after "chapter"; and

(2) in subsection (b) by inserting "as defined in section 601(2)" immediately before the period at the end of the first sentence.

SEC. 143. FEDERAL AGENCY SUPPORT OF ENTERPRISE ZONES.

In order to maximize all agencies' support of enterprise zones, the Secretary of Housing and Urban Development is authorized to convene regional and local coordinating councils of any appropriate agencies to assist State and local governments to achieve the objectives agreed to in the course of action under section 7880 of the Internal Revenue Code of 1986.

PART IV—ESTABLISHMENT OF FOREIGN TRADE ZONES IN ENTERPRISE ZONES

SEC. 151. FOREIGN-TRADE ZONE PREFERENCES.

(a) PREFERENCE IN ESTABLISHMENT OF FOREIGN-TRADE ZONES IN REVITALIZATION AREAS.—In processing applications for the establishment of foreign-trade zones pursuant to an Act "To provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes", approved June 18, 1934 (48 Stat. 998), the Foreign-Trade Zone Board shall consider on a priority basis and expedite, to the maximum extent possible, the processing of any application involving the establishment of a foreign-trade zone within an enterprise zone designated pursuant to section 7880 of the Internal Revenue Code of 1986.

(b) APPLICATION PROCEDURE.—In processing applications for the establishment of ports of entry pursuant to "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and fifteen, and for other purposes", approved August 1, 1914 (38 Stat. 609), the Secretary of the Treasury shall consider on a priority basis and expedite, to the maximum extent possible, the processing of any application involving the establishment of a port of entry which is necessary to permit the establishment of a foreign-trade zone within an enterprise zone so designated.

(c) APPLICATION EVALUATION.—In evaluating applications for the establishment of for-

eign-trade zones and ports of entry in connection with enterprise zones so designated, the Foreign-Trade Zone Board and the Secretary of the Treasury shall approve the applications, to the maximum extent practicable, consistent with their respective statutory responsibilities.

PART V—REPEAL OF TITLE VII OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1987

SEC. 161. REPEAL.

Title VII of the Housing and Community Development Act of 1987 is hereby repealed.

Subtitle D—Research and Experimentation Credit Made Permanent

SEC. 171. RESEARCH AND EXPERIMENTATION CREDIT MADE PERMANENT.

(a) IN GENERAL.—Section 41 of the Internal Revenue Code of 1986 (relating to credit for increasing research activities) is amended by striking subsection (h).

(b) CONFORMING AMENDMENT.—Section 28(b)(1) of the Internal Revenue Code of 1986 (relating to clinical testing expenses for certain drugs for rare diseases or conditions) is amended by striking subparagraph (D).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

TITLE II—SAVINGS INCENTIVES

SEC. 201. ESTABLISHMENT OF INDIVIDUAL RETIREMENT PLUS ACCOUNTS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 (relating to pension, profit-sharing, stock bonus plans, etc.) is amended by inserting after section 408 the following new section:

"408A. INDIVIDUAL RETIREMENT PLUS ACCOUNTS.

"(a) GENERAL RULE.—Except as provided in this section, an individual retirement plus account shall be treated for purposes of this title in the same manner as an individual retirement plan.

"(b) INDIVIDUAL RETIREMENT PLUS ACCOUNT.—For purposes of this title, the term 'individual retirement plus account' means an individual retirement plan which is designated at the time of the establishment of the plan as an individual retirement plus account. Such designation shall be made in such manner as the Secretary may prescribe.

"(c) CONTRIBUTION RULES.—

"(1) NO DEDUCTION ALLOWED.—No deduction shall be allowed under section 219 for a contribution to an individual retirement plus account.

"(2) CONTRIBUTION LIMIT.—

"(A) IN GENERAL.—Except in the case of rollover contributions, the aggregate amount which may be accepted as contributions to an individual retirement plus account shall not be greater than the excess (if any) of—

"(i) the nondeductible limit with respect to the individual for the taxable year under section 408(o) (after application of subparagraph (B)(ii) thereof), over

"(ii) the designated nondeductible contributions made by the individual for such taxable year to 1 or more individual retirement plans.

"(B) $1,000 INCREASE AFTER 1996.—In the case of any taxable year beginning after December 31, 1996, the amount determined under subparagraph (A)(i) (without regard to this subparagraph) shall be increased by $1,000.

"(C) SPECIAL RULE FOR MARRIED INDIVIDUALS.—The nondeductible limits under subparagraph (A) for an individual and for such individual's spouse shall be an amount equal to the excess (if any) of—

"(i) $2,000, over

"(ii) the sum of the amount allowed as a deduction under section 219 for contributions on behalf of such individual or such spouse, plus the amount determined under subparagraph (A)(ii) with respect to each.

In no event shall the sum of such limits exceed an amount equal to the sum of the compensation includible in the individual's and spouse's gross income for the taxable year, reduced by the sum of the amounts determined under clause (ii).

"(3) CONTRIBUTIONS AFTER AGE 70½.—Contributions may be made by an individual to an individual retirement plus account after such individual has attained the age of 70½.

"(4) LIMITATIONS ON ROLLOVER CONTRIBUTIONS.—No rollover contributions may be made to an individual retirement plus account unless such rollover contribution is a contribution of a distribution or payment out of—

"(A) another individual retirement plus account, or

"(B) an individual retirement plan which is not allocable to any amount transferred to such plan which represented any portion of the balance to the credit of an employee in a qualified trust (or any income allocable to such portion).

"(d) DISTRIBUTION RULES.—For purposes of this title—

"(1) IN GENERAL.—Except in the case of a qualified distribution, the rules of paragraphs (1) and (2) of section 408(d) shall apply to any distribution from an individual retirement plus account.

"(2) TREATMENT OF QUALIFIED DISTRIBUTION.—In the case of a qualified distribution from an individual retirement plus account—

"(A) the amount of such distribution shall not be includible in gross income; and

"(B) section 72(t) shall not apply.

"(3) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified distribution' means any distribution—

"(i) made on or after the date on which the individual attains age 59½,

"(ii) made to a beneficiary (or to the estate of an individual) on or after the death of the individual, or

"(iii) attributable to the employee's being disabled (within the meaning of section 72(m)(7)).

"(B) DISTRIBUTIONS WITHIN 5 YEARS.—No distribution shall be treated as a qualified distribution if—

"(i) it is made within the 5-taxable year period beginning with the 1st taxable year in which the individual made a contribution to an individual retirement plus account, or

"(ii) in the case of a distribution properly allocable to a rollover contribution (or income allocable thereto), it is made within 5 years of the date on which such rollover contribution was made.

"(4) SPECIAL RULES RELATING TO ROLLOVERS FROM REGULAR INDIVIDUAL RETIREMENT ACCOUNTS.—

"(A) IN GENERAL.—Except as provided in this paragraph, any amount paid or distributed out of an individual retirement plan on or before the earlier of—

"(i) the date on which the individual attains age 55, or

"(ii) June 30, 1993,

shall not be included in gross income (and section 72(t) shall not apply to such amount) if the individual receiving such amount transfers, within 60 days of receipt, the entire amount received to an individual retirement plus account.

"(B) TREATMENT OF TAX-FAVORED AMOUNTS.—

"(i) IN GENERAL.—Notwithstanding subparagraph (A), there shall be included in gross income (but section 72(t) shall not apply to) the portion of any amount transferred which bears the same ratio to such amount as—

"(I) the aggregate amount of contributions to individual retirement plans with respect to which a deduction was allowable under section 219, bears to

"(II) the aggregate balance of such plans.

"(ii) TIME FOR INCLUSION.—Any amount described in clause (i) shall be included in gross income ratably over the 4-taxable year period beginning with the taxable year in which the amount was paid or distributed out of the individual retirement plan.

"(e) ROLLOVER CONTRIBUTIONS.—For purposes of this section, the term 'rollover contributions' means contributions described in sections 402(a)(5), 402(a)(7), 403(a)(4), 403(b)(8), and 408(d)(3).

"(f) DETERMINATIONS.—For purposes of this section, any determinations with respect to aggregate contributions to, or the balance of, individual retirement plus accounts shall be made as of the close of the calendar year preceding the calendar year in which the taxable year begins.".

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 408 the following new item:

"Sec. 408A. Individual retirement plus accounts.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

TITLE III—HOMEOWNERSHIP INCENTIVES

Subtitle A—First-Time Homebuyers Tax Credit

SEC. 301. CREDIT FOR PURCHASE OF PRINCIPAL RESIDENCE BY FIRST-TIME HOMEBUYER.

(a) GENERAL RULE.—Subpart C of part IV of subchapter A of chapter 1 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. PURCHASE OF PRINCIPAL RESIDENCE BY FIRST-TIME HOMEBUYER.

"(a) ALLOWANCE OF CREDIT.—If an individual who is a first-time homebuyer purchases a principal residence during the taxable year, there shall be allowed to such individual as a credit against the tax imposed by this subtitle for such taxable year an amount equal to $1,000.

"(b) INCOME LIMITATIONS.—

"(1) IN GENERAL.—No credit shall be allowed under subsection (a) to any individual whose adjusted gross income for the taxable year exceeds $41,000.

"(2) PHASE-DOWN OF CREDIT.—The $1,000 amount set forth in subsection (a) shall be reduced by $10 for each $100 (or fraction thereof) by which the taxpayer's adjusted gross income for the taxable year exceeds $31,000.

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

"(1) FIRST-TIME HOMEBUYER.—The term 'first-time homebuyer' has the meaning given to such term by section 408A(e)(3)(E)(ii).

"(2) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 1034.

"(3) PURCHASE.—The term 'purchase' means any acquisition of property, but only

if the basis of such property in the hands of the person acquiring it is not determined—

"(A) in whole or in part by the reference to the adjusted basis of such property in the hands of the person from whom acquired, or

"(B) under section 1014(a) (relating to property acquired from a decedent).

"(4) TREATMENT OF MARRIED INDIVIDUALS.—The adjusted gross income of any individual for any taxable year shall include the adjusted gross income of such individual's spouse for such spouse's taxable year corresponding to the taxable year of the individual. For purposes of the preceding sentence, marital status shall be determined under section 7703; except that an individual shall not be treated as being married if such individual would not be treated as being married under section 21(e)(4).

"(5) JOINT PURCHASES.—If a residence is purchased together by 2 or more individuals for use as their principal residence—

"(A) such individuals shall be limited to 1 credit under this section for such purchase and the amount of such credit shall be allocated among such individuals in the manner prescribed by the Secretary,

"(B) no credit shall be allowed under this section for such purchase unless all of such individuals are first-time homebuyers, and

"(C) the aggregate adjusted gross income of all of such individuals shall be taken into account in determining the amount of the credit allowable under this section for such purchase."

(b) CLERICAL AMENDMENTS.—The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 35 and inserting the following:

"Sec. 35. Purchase of principal residence by first-time homebuyer.

"Sec. 36. Overpayments of tax."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to principal residences purchased after July 31, 1991.

Subtitle B—Penalty-Free IRA Plus Withdrawal for Home Purchase, Higher Education, and Health Costs

SEC. 311. PENALTY-FREE IRA PLUS WITHDRAWAL FOR HOME PURCHASE, HIGHER EDUCATION, AND HEALTH COSTS.

(a) GENERAL RULE.—Subparagraph (A) of section 408A(d)(3) (as added by title II) is amended by striking "or" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", or", and by adding at the end thereof the following new clause:

"(iv) which is a qualified special purpose distribution (within the meaning of subsection (e)).

(b) QUALIFIED SPECIAL PURPOSE DISTRIBUTION DEFINED.—Section 408A (as so added) is amended by redesignating subsections (e) and (f) as (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

"(e) QUALIFIED SPECIAL PURPOSE DISTRIBUTION FROM IRA PLUS ACCOUNTS.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified special purpose distribution' means—

"(A) a qualified first-time homebuyer distribution, or

"(B) an applicable medical or educational distribution.

"(2) 25 PERCENT ACCOUNT LIMIT.—

"(A) IN GENERAL.—A distribution shall not be treated as a qualified special purpose distribution to the extent it exceeds the amount (if any) by which—

"(i) 25 percent of the sum of—

"(I) the aggregate balance of individual retirement plus accounts established on behalf of an individual, plus

"(II) the aggregate amounts previously treated as qualified special purpose distributions, exceeds

"(ii) the amount determined under clause (i)(II).

"(B) LIMITATION NOT TO APPLY FOR PURPOSES OF SECTION 72(t).—Section 72(t) shall not apply to any distribution which would be a qualified distribution but for the limitations of subparagraph (A).

"(3) DISTRIBUTIONS FROM IRA PLUS ACCOUNTS USED TO PURCHASE A HOME BY FIRST-TIME HOMEBUYER.—For purposes of paragraph (1)—

"(A) IN GENERAL.—The term 'qualified first-time homebuyer distribution' means any payment or distribution received by a first-time homebuyer (or by a parent or grandparent of a first-time homebuyer) from an individual retirement plan to the extent such payment or distribution is used by the individual receiving the payment or distribution before the close of the 60th day after the day on which such payment or distribution is received to pay qualified acquisition costs with respect to a principal residence for such first-time homebuyer.

"(B) BASIS REDUCTION.—The basis of any principal residence described in subparagraph (A) shall be reduced by any amount excluded from the gross income of such first-time homebuyer (or parent or grandparent thereof) by reason of this section.

"(C) RECOGNITION OF GAIN AS ORDINARY INCOME.—

"(i) IN GENERAL.—Notwithstanding any other provision of this subtitle, except as provided in clause (ii)—

"(I) gain (if any) on the sale or exchange of a principal residence to which subparagraph (A) applies shall, to the extent of the amount excluded from gross income under this section, be treated as ordinary income by such individual, and

"(II) section 72(t) shall apply to such amount.

"(ii) EXCEPTION.—Clause (i) shall not apply to any taxable year to the extent of any amount which, before the due date (without extensions) for filing the return for such year, the taxpayer contributes to an individual retirement plus account. Such amount shall not be taken into account for purposes of any provision of this title relating to excess contributions.

"(iii) COORDINATION WITH OTHER PROVISIONS.—In the event all or part of the gain referred to in clause (i) is treated as ordinary income under any other provision of this subtitle, such provision shall be applied before clause (i).

"(D) SPECIAL RULE WHERE DELAY IN ACQUISITION.—If—

"(i) any amount is paid or distributed from an individual retirement plus account to an individual for purposes of being used as provided in subparagraph (A), and

"(ii) by reason of a delay in the acquisition of the residence, such amount cannot be so used,

the amount so paid or distributed may be paid into an individual retirement plus account as provided in section 408(d)(3)(A)(i) without regard to section 408(d)(3)(B), and, if so paid into such other plan, such amount shall not be taken into account in determining whether section 408(d)(3)(A)(i) applies to any other amount.

"(E) DEFINITIONS.—For purposes of this paragraph—

"(i) QUALIFIED ACQUISITION COSTS.—The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. Such term includes any usual or reasonable settlement, financing, or other closing costs.

"(ii) FIRST-TIME HOMEBUYER.—The term 'first-time homebuyer' means any individual if such individual (and if married, such individual's spouse) had no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this paragraph applies.

"(iii) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 1034.

"(iv) DATE OF ACQUISITION.—The term 'date of acquisition' means the date—

"(I) on which a binding contract to acquire the principal residence to which subparagraph (A) applies is entered into, or

"(II) on which construction or reconstruction of such a principal residence is commenced.

"(4) APPLICABLE MEDICAL DISTRIBUTIONS FROM IRA PLUS ACCOUNTS.—For purposes of paragraph (1), the term 'applicable medical distributions' means any distributions made to an individual (not otherwise taken into account under this subsection) to the extent such distributions do not exceed the amount allowable as a deduction under section 213 for amounts paid during the taxable year for medical care (without regard to whether the individual itemized deductions for the taxable year). For purposes of determining the amount so allowable, any child or grandchild of the taxpayer shall be treated as a dependent of the taxpayer.

"(5) DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLUS ACCOUNTS FOR EDUCATIONAL EXPENSES.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'applicable educational distributions' means distributions to an individual to the extent that the amount of such distributions (not otherwise treated as qualified special purpose distributions, determined after application of paragraph (4)) does not exceed the qualified higher education expenses of the individual for the taxable year.

"(B) QUALIFIED HIGHER EDUCATION EXPENSES.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The term 'qualified higher education expenses' means tuition, fees, books, supplies, and equipment required for the enrollment or attendance of—

"(I) the taxpayer,

"(II) the taxpayer's spouse, or

"(III) the taxpayer's child (as defined in section 151(c)(3)) or grandchild,

at an eligible educational institution (as defined in section 135(c)(3)).

"(ii) COORDINATION WITH SAVINGS BOND PROVISIONS.—The amount of qualified higher education expenses for any taxable year shall be reduced by any amount excludable from gross income under section 135."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

TITLE IV—WORK INCENTIVES

Subtitle A—Reduction in Social Security Penalty on Working Elderly

SEC. 401. PHASED-IN INCREASES IN THE EARNINGS TEST OVER THE PERIOD 1992-1997 FOR INDIVIDUALS WHO HAVE ATTAINED NORMAL RETIREMENT AGE.

(a) IN GENERAL.—Subparagraph (D) of section 203(f)(8) of the Social Security Act (42 U.S.C. 403(f)(8)) is amended to read as follows:

"(D)(i) Notwithstanding any other provision of this subsection, the exempt amount which is applicable to an individual who has attained retirement age (as defined in section 216(l)) before the close of the taxable year involved shall be—

"(I) for each month of the taxable year ending after 1991 and before 1993, the exempt amount so applicable for each month of the preceding taxable year, plus 1/12 of $1,000,

"(II) for each month of the taxable year ending after 1992 and before 1994, the exempt amount so applicable for each month of the preceding taxable year, plus 1/12 of $1,000,

"(III) for each month of the taxable year ending after 1993 and before 1995, the exempt amount so applicable for each month of the preceding taxable year, plus 1/12 of $1,000,

"(IV) for each month of the taxable year ending after 1994 and before 1996, the exempt amount so applicable for each month of the preceding taxable year, plus 1/12 of $1,000,

"(V) for each month of the taxable year ending after 1995 and before 1997, the exempt amount so applicable for each month of the preceding taxable year, plus 1/12 of $1,000,

"(VI) for each month of the taxable year ending after 1996 and before 1998, the exempt amount so applicable for each month of the preceding taxable year, plus 1/12 of $1,000.

"(ii) For purposes of subparagraph (B)(ii)(II), the increase in the exempt amount provided under clause (i)(VI) shall be deemed to have resulted from a determination which shall be deemed to have been made under subparagraph (A) in 1996.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years ending after 1991.

SEC. 402. TRANSFERS TO TRUST FUNDS.

(a) IN GENERAL.—There are hereby appropriated to each payor fund amounts equivalent to the aggregate increase in social security benefits payable from such fund which is attributable to the amendment made by section 401.

(b) TRANSFERS.—The amounts appropriated by subsection (a) to a payor fund shall be transferred from time to time (but not less frequently than quarterly) from the general fund of the Treasury on the basis of estimates made by the Secretary of the Treasury of the amounts referred to in such subsection. Any such quarterly payment shall be made on the first day of such quarter and shall take into account social security benefits estimated to be received during such quarter. Proper adjustments shall be made in the amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

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

(1) PAYOR FUND.—The term "payor fund" means the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

(2) SOCIAL SECURITY BENEFITS.—The term "social security benefits" means any amount received by a person by reason of entitlement to monthly benefits under title II of the Social Security Act.

(d) REPORTS.—The Secretary of the Treasury shall submit annual reports to the Congress and to the Secretary of Health and Human Services on—

(1) the transfers made under this section during the year, and the methodology used in determining the amount of such transfers and the payor funds to which made, and

(2) the anticipated operation of this section during the next 5 years.

SEC. 403. STUDY TO DETERMINE IMPACT OF TOTAL REPEAL.

(a) STUDY.—The Secretary of Health and Human Services (hereinafter in this section referred to as the "Secretary") shall undertake in 1997 a study for the purpose of determining whether further amendments relating to deductions on account of work and the exempt amount provided for under section 203 of the Social Security Act are necessary or appropriate. Such study shall be conducted in full consultation with the Secretary of the Treasury, the Secretary of Labor, and the Secretary of Commerce. The Secretary of the Treasury, the Secretary of Labor, and the Secretary of Commerce shall provide the Secretary with such appropriate assistance and information requested by the Secretary as the Secretary considers necessary and appropriate to carry out the study under this section.

(b) SPECIFIC MATTERS TO BE STUDIED.—

(1) IN GENERAL.—The Secretary, in carrying out the study provided for in this section, shall address, analyze, and report specifically on various effects—

(A) which have resulted from the amendment made by section 401, and

(B) which would reasonably be expected to result from repeal, effective with respect to taxable years ending after calendar year 1997, of the provisions relating to deductions on account of work and the exempt amount provided for under section 203 of the Social Security Act.

The Secretary shall include in the report any other information which the Secretary considers would be relevant and useful to the Congress in considering legislation relating to deductions on account of work and the exempt amount.

(2) EFFECTS TO BE INCLUDED IN STUDY.—The effects referred to in paragraph (1) shall include—

(A) the effect on numbers in the workforce, by category of income;

(B) the effect on the purchasing power of members of the workforce, expressed in constant dollars;

(C) the effect on the working elderly with wage or salary income at or below the national average wage level;

(D) the short-term and long-term effect on the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, the Federal Hospital Insurance Trust Fund, and the Federal Supplementary Medical Insurance Trust Fund;

(E) the effect on the Federal budget; and

(F) the effect on the national economy.

(c) REPORTS.—The Secretary shall submit to each House of the Congress, not later than November 1, 1997, a final report of the findings of such study.

Subtitle B—Economic Growth Dividend

SEC. 411. USE OF ECONOMIC GROWTH DIVIDEND.

(a) GENERAL RULE.—If the Secretary of the Treasury (hereinafter in this title referred to as the "Secretary") determines that there is an economic growth dividend for any fiscal year beginning on or after October 1, 1992, such dividend shall be used to increase the amount of the personal exemptions as provided in section 412.

(b) ECONOMIC GROWTH DIVIDEND.—For purposes of this Act—

(1) there is an economic growth dividend for any fiscal year if the Secretary determines that the real growth in the gross national product during such fiscal year was at a rate in excess of 3 percent, and

(2) the amount of the economic growth dividend for such fiscal year is the amount which the Secretary estimates will be the annual increase in Federal tax receipts resulting from the real growth in the gross national product during such fiscal year at a rate in excess of 3 percent.

Determinations under the preceding sentence shall be made before the close of the calendar year in which the fiscal year ends.

(c) SPECIAL RULE FOR FISCAL YEARS BEFORE 1996.—In the case of any fiscal year beginning before October 1, 1995, subsection (b) shall be applied by substituting for "3 percent" each place it appears the estimated rate of real growth in the gross national product for such fiscal year as set forth in the President's budget submission for such fiscal year under section 1105 of title 31, United States Code.

SEC. 412. INCREASE IN AMOUNT OF PERSONAL EXEMPTIONS.

(a) GENERAL RULE.—If the Secretary determines that there is an economic growth dividend for any fiscal year beginning on or after October 1, 1992, the amount of the exemption amount for taxable years beginning after the close of the calendar year in which such fiscal year ends shall be increased by an amount which the Secretary estimates will reduce Federal tax receipts for taxable years beginning in the following calendar year by an amount equal to 100 percent of the amount of such economic growth dividend.

(b) SPECIAL RULE FOR FISCAL YEARS BEFORE 1996.—In the case of any fiscal year beginning before October 1, 1995, 50 percent of the economic growth dividend shall be used in accordance with subsection (a), and 50 percent of the growth dividend shall be used to make a downward adjustment in the maximum deficit amount of section 250(c)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(c) EXEMPTION AMOUNT.—For purposes of this section, the term 'exemption amount' means the amount which would otherwise be the exemption amount under section 151(d) of the Internal Revenue Code of 1986 before the application of paragraphs (2) and (3) thereof.

(d) INFLATION ADJUSTMENTS.—Any increase determined under this section shall be adjusted for increases in the cost of living under procedures similar to those provided in section 151(d)(4) of such Code.

Mr. GINGRICH (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. ROSTENKOWSKI. Reserving the right to object, Mr. Speaker, I do not know the content of the motion. As I understand it, what the gentleman from Georgia [Mr. GINGRICH] is offering is what he offered in the Rules Committee.

□ 1120

Mr. GINGRICH. That is correct, Mr. Speaker.

The SPEAKER. Without objection, the motion is considered as read.

There was no objection.

POINT OF ORDER

Mr. ROSTENKOWSKI. Mr. Speaker, I have a point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. ROSTENKOWSKI. Mr. Speaker, I make a point of order that the motion

is not germane since it exceeds the scope and content of the pending legislation.

The SPEAKER. Does the gentleman from Georgia [Mr. GINGRICH] wish to be heard on the point of order?

Mr. GINGRICH. Mr. Speaker, if I might just briefly state, the House just decided by 324 to 84 to add a revenue measure to the bill, and this broadened the act, and the Economic Growth Act, which I offer, is an amendment which relates directly to unemployment by changing the Tax Code to create 1,100,000 new jobs. So, it seems to me, clearly on an unemployment bill, it is germane to the question of unemployment.

Mr. ROSTENKOWSKI. Mr. Speaker, I insist on my point of order that it goes beyond the scope and content of the pending legislation.

The SPEAKER. The Chair is prepared to rule.

The gentleman from Illinois [Mr. ROSTENKOWSKI] makes a point of order that the amendment proposed by the motion offered by the gentleman from Georgia [Mr. GINGRICH] is not germane to the bill.

The bill, as reported, is confined to provisions relating to unemployment insurance and compensation within the jurisdiction of the Committee on Ways and Means.

The amendment proposed in the motion offered by the gentleman from Georgia [Mr. GINGRICH] contains provisions "to provide incentives for work, savings and investments in order to stimulate economic growth, job creation and opportunity." These provisions range beyond matters of unemployment compensation and involve the jurisdiction of committees other than the Committee on Ways and Means, to wit: the Committee on Banking, Finance and Urban Affairs and the Committee on the Judiciary.

Accordingly, the Chair finds the amendment is not germane, and, therefore, the motion to recommit is not in order.

The Chair sustains the point of order of the gentleman from Illinois [Mr. ROSTENKOWSKI].

MOTION TO RECOMMIT OFFERED BY MR. ARCHER

Mr. ARCHER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ARCHER. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ARCHER moves to recommit the bill H.R. 3040 to the Committee on Ways and Means with instructions to report the same back forthwith to the House with the following amendment:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Emergency Unemployment Compensation Amendments of 1991".

SEC. 2. AMENDMENTS.

Public Law 102-107, the Emergency Unemployment Compensation Act of 1991, is amended—

(a) by striking "after August 31, 1991" where it appears in Section 3(c)(4)(A), and inserting "after the month in which this section takes effect",

(b) by striking "September 1, 1991" where it appears in Section 3(d)(1)(A)(i), and inserting "the first day of the first month following the month in which this section takes effect", and

(c) by striking "August 31, 1991" each place it appears in Section 3(d)(3)(A), and inserting "the month in which this section takes effect",

(d) by striking "not later than the date of the enactment of this Act" where it appears in Section 10(b) and inserting "not later than December 31, 1991".

Mr. ARCHER (during the reading). Mr. Speaker, I ask unanimous consent that my motion to recommit be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. The gentleman from Texas [Mr. ARCHER] is recognized for 5 minutes in support of his motion to recommit.

Mr. ARCHER. Mr. Speaker, less than a year ago, Congress raised taxes by $165 billion. That was the price—or so we thought—for getting a relatively simple promise: for the next 5 years any new spending on top of what is already built in, other than for emergencies, has to be paid for. That promise is really the heart of any deficit reduction we may achieve in the future.

The emergency clause of the budget agreement was intended as a way for financing unanticipated spending that the President and Congress both agree are emergencies. Congress is now about to unilaterally declare an emergency to enact permanent unemployment benefit expansions.

My motion to recommit gives us perhaps the last chance we will have to save that budget agreement, and live up to that simple promise.

A few weeks ago, the President signed into law a bill that could have provided a temporary program of extended benefits for the unemployed. Under that law, which complied with the budget agreement, the President had only until the date of its enactment to declare an emergency, or none of the provisions would take effect.

As we know, the President did not declare an emergency at that time. The provisions for providing benefits never took effect.

Under this bill and the current law those provisions cannot take effect even if the President declares an emergency in the future.

The motion to recommit calls for an amendment to give the President until the end of this year to declare an emergency if in his discretion one exists between now and then.

If employment conditions worsen over the next few months, a justifiable emergency may arise. Giving the President the option to invoke a temporary emergency program that is already law would not be unreasonable in that situation.

Most importantly, though, it is surely preferable to trashing last year's budget agreement and enacting permanent benefit expansions under the ruse of emergency spending.

If at anytime before January 1, 1992, the President declares an emergency, the law's provisions would take effect. Benefits would begin to be payable starting the month after the emergency is declared, and the program would end by July 4, 1992.

In addition the motion to recommit makes the benefit levels conform to those already passed in H.R. 3201.

Giving the President the option to declare an emergency in the future is far preferable to breaching the budget agreement and enacting a permanent expansion of unemployment benefits.

I urge the adoption of this motion to recommit.

The SPEAKER. Does any Member seek recognition in opposition to the motion?

Mr. DOWNEY. Yes, Mr. Speaker.

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. DOWNEY] for 5 minutes in opposition to the motion to recommit.

Mr. DOWNEY. My colleagues, when we met last in August and sent to the President the bill extending benefits, we gave the President the opportunity to declare the emergency. He signed the bill and chose not to. What the gentleman from Texas [Mr. ARCHER] proposes to do is to give the President until Christmas to make up his mind.

Mr. Speaker, we have in this House voted billions of dollars to bail out the savings and loans. We have helped the Kurds and Turkey. We have helped the Bangladeshis. It is time to help Americans.

My colleagues, let us not wait until Christmas to learn that there is no Republican Santa Claus for the unemployed.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

RECORDED VOTE

Mr. ARCHER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER. The Chair announces that subsequent to this 15-minute vote any vote ordered on final passage will be limited to 5 minutes.

The vote was taken by electronic device, and there were—ayes 129, noes, 279, not voting 24, as follows:

[Roll No. 266]

AYES—129

Allard
Archer
Armey
Baker
Ballenger
Barrett
Barton
Bateman
Bereuter
Bilirakis
Bliley
Boehner
Broomfield
Bunning
Burton
Callahan
Campbell (CA)
Chandler
Coble
Coleman (MO)
Combest
Coughlin
Cox (CA)
Crane
Cunningham
Dannemeyer
DeLay
Dickinson
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Ewing
Fawell
Fields
Franks (CT)
Gallegly
Gallo
Gekas
Gingrich
Goodling
Goss
Gradison
Grandy
Green
Hall (TX)
Hammerschmidt
Hancock
Hansen
Hastert
Hefley
Hobson
Houghton
Hutto
Hyde
Inhofe
Ireland
James
Johnson (CT)
Johnson (TX)
Kasich
Klug
Kolbe
Kyl
Lagomarsino
Laughlin
Leach
Lent
Lewis (FL)
Lightfoot
Livingston
Lowery (CA)
McCandless
McCollum
McCrery
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Miller (WA)
Montgomery
Moorhead
Morrison
Myers
Nichols
Nussle
Oxley
Packard
Parker
Petri
Porter
Quillen
Ramstad
Rhodes
Riggs
Roberts
Rohrabacher
Ros-Lehtinen
Roth
Santorum
Sarpalius
Schaefer
Schiff
Schulze
Sensenbrenner
Shaw
Shays
Skeen
Smith (TX)
Solomon
Spence
Stearns
Stump
Sundquist
Taylor (MS)
Taylor (NC)
Thomas (WY)
Vander Jagt
Vucanovich
Walker
Walsh
Weber
Wolf
Wylie
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—279

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Barnard
Beilenson
Bennett
Bentley
Bevill
Bilbray
Boehlert
Bonior
Borski
Boucher
Boxer
Brewster
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Camp
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Clinger
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Cooper
Costello
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Frost
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Guarini
Gunderson
Hall (OH)
Hamilton
Harris
Hatcher
Hayes (IL)
Hayes (LA)
Hefner
Henry
Hertel
Hoagland
Hochbrueckner
Horn
Horton
Hoyer
Hubbard
Huckaby
Hughes
Jacobs
Jefferson
Jenkins
Johnson (SD)
Jones (GA)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
LaRocco
Lehman (CA)
Levin (MI)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Moody
Moran
Morella
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Olver
Ortiz
Orton
Owens (NY)
Owens (UT)
Pallone
Panetta
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Penny
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Poshard
Price
Pursell
Rangel
Ravenel
Ray
Reed
Regula
Richardson
Ridge
Rinaldo
Ritter
Roe
Roemer
Rogers
Rose
Rostenkowski
Roukema
Roybal
Russo
Sabo
Sanders
Sangmeister
Savage
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sharp
Shuster
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Snowe
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swett
Swift
Synar
Tallon
Tanner
Tauzin
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Upton
Valentine
Vento
Visclosky
Volkmer
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates

NOT VOTING—24

Alexander
Berman
Doolittle
Dymally
Herger
Holloway
Hopkins
Hunter
Johnston
Jones (NC)
Lantos
Lehman (FL)
Levine (CA)
Lewis (CA)
Lloyd
Marlenee
Mrazek
Pickle
Rahall
Rowland
Saxton
Slaughter (VA)
Thomas (CA)
Yatron

□ 1148

Mr. PAXON and Mr. GUNDERSON changed their vote from "aye" to "no."

The Clark announced the following pairs:

On this vote:

Mr. Doolittle for and Mr. Lantos against.

Mr. Lewis of California for and Mr. Rowland against.

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. DOWNEY. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER. The Chair repeats the previous announcement that this vote will be limited to 5 minutes. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 283, noes 125, not voting 24, as follows:

[Roll No. 267]

AYES—283

Abercrombie
Ackerman
Anderson
Andrews (ME)
Andrews (NJ)
Andrews (TX)
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bacchus
Beilenson
Bennett
Bentley
Bevill
Bilbray
Boehlert
Bonior
Borski
Boucher
Boxer
Brooks
Browder
Brown
Bruce
Bryant
Bustamante
Byron
Camp
Campbell (CO)
Cardin
Carper
Carr
Chapman
Clay
Clement
Clinger
Coleman (TX)
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coughlin
Cox (IL)
Coyne
Cramer
Darden
Davis
de la Garza
DeFazio
DeLauro
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dooley
Dorgan (ND)
Downey
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Edwards (TX)
Emerson
Engel
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frank (MA)
Franks (CT)
Frost
Gallo
Gaydos
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Glickman
Gonzalez
Gordon
Guarini
Gunderson
Hall (OH)
Hamilton
Harris
Hatcher
Hayes (IL)
Hefner
Henry
Hertel
Hoagland
Hochbrueckner
Horn
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Jacobs
Jefferson
Jenkins
Johnson (CT)
Johnson (SD)
Jones (GA)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kopetski
Kostmayer
LaFalce
Lancaster
LaRocco
Leach
Lehman (CA)
Levin (MI)
Lewis (FL)
Lewis (GA)
Lipinski
Long
Lowey (NY)
Luken
Machtley
Manton
Markey
Martin
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McDermott
McGrath
McHugh
McMillen (MD)
McNulty
Mfume
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Moody
Moran
Morella
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olver
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Patterson
Paxon
Payne (NJ)
Payne (VA)
Pease
Pelosi
Perkins
Peterson (FL)
Peterson (MN)
Pickett
Poshard
Price
Pursell
Rangel
Ravenel
Reed
Regula
Richardson
Ridge
Rinaldo
Ritter
Roe
Roemer
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Roybal
Russo
Sabo
Sanders
Sangmeister
Savage
Sawyer
Scheuer
Schroeder
Schumer
Serrano
Sharp
Shuster
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (OR)
Snowe
Solarz
Spratt
Staggers
Stallings
Stark
Stearns
Stokes
Studds
Swett
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Thornton
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Upton
Vento
Visclosky
Volkmer
Walsh
Washington
Waters
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise

Wolpe	Yates	Young (FL)
Wyden	Young (AK)	Zimmer

NOES—125

Allard	Green	Oxley
Archer	Hall (TX)	Packard
Armey	Hammerschmidt	Parker
Baker	Hancock	Penny
Ballenger	Hansen	Petri
Barnard	Hastert	Porter
Barrett	Hayes (LA)	Quillen
Barton	Hefley	Ramstad
Bateman	Hobson	Ray
Bereuter	Hutto	Rhodes
Bilirakis	Hyde	Riggs
Bliley	Inhofe	Roberts
Boehner	Ireland	Rohrabacher
Brewster	James	Roth
Broomfield	Johnson (TX)	Santorum
Bunning	Kasich	Sarpalius
Burton	Klug	Schaefer
Callahan	Kolbe	Schiff
Campbell (CA)	Kyl	Schulze
Chandler	Lagomarsino	Sensenbrenner
Coble	Laughlin	Shaw
Coleman (MO)	Lent	Shays
Combest	Lightfoot	Skeen
Cooper	Livingston	Smith (TX)
Cox (CA)	Lowery (CA)	Solomon
Crane	McCandless	Spence
Cunningham	McCollum	Stenholm
Dannemeyer	McCrery	Stump
DeLay	McEwen	Sundquist
Dickinson	McMillan (NC)	Tanner
Dornan (CA)	Meyers	Taylor (MS)
Dreier	Michel	Taylor (NC)
Duncan	Miller (OH)	Thomas (WY)
Ewing	Miller (WA)	Valentine
Fawell	Montgomery	Vander Jagt
Fields	Moorhead	Vucanovich
Gallegly	Morrison	Walker
Gingrich	Myers	Weber
Goodling	Nichols	Wolf
Goss	Nussle	Wylie
Gradison	Olin	Zeliff
Grandy	Orton	

NOT VOTING—24

Alexander	Hunter	Marlenee
Berman	Johnston	Pickle
Doolittle	Jones (NC)	Rahall
Dymally	Lantos	Rowland
Edwards (OK)	Lehman (FL)	Saxton
Herger	Levine (CA)	Slaughter (VA)
Holloway	Lewis (CA)	Thomas (CA)
Hopkins	Lloyd	Yatron

□ 1158

The Clerk announced the following pairs:

On this vote:

Mr. Lantos for, with Mr. Doolittle against.

Mr. Rowland of Georgia for, with Mr. Lewis of California against.

Mr. Rahall for, with Mr. Thomas of California against.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1200

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2946

Mr. COBLE. Mr. Speaker, I ask unanimous consent that my name be removed as cosponsor of H.R. 2946.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

REMOVAL OF NAMES OF MEMBERS AS COSPONSORS OF H.R. 1092 AND H.R. 261

Mrs. BOXER. Mr. Speaker, I ask unanimous consent that my name be removed from the list of cosponsors of H.R. 1092, and that the name of the gentleman from North Carolina [Mr. MCMILLAN] be removed from the list of cosponsors of H.R. 261.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

MAKING IN ORDER AT ANY TIME MOTION TO DISAGREE TO SENATE AMENDMENTS TO H.R. 3291, DISTRICT OF COLUMBIA SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT, 1991

Mr. DIXON. Mr. Speaker, I ask unanimous consent that it be in order at any time to offer an indivisible motion to take from the Speaker's table the bill (H.R. 3291) 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 with Senate amendments numbered 1 through 3 thereto, and to disagree to said Senate amendments; that such Senate amendments be considered as read; that such motion be debatable for one hour, equally divided and controlled by myself and the gentleman from New Jersey [Mr. GALLO]; and that the previous question be considered as ordered on such motion to final passage without intervening motion.

The SPEAKER. Is there objection to the request of the gentleman from California.

Mr. GALLO. Mr. Speaker, reserving the right to object, I do so for the purpose of asking the chairman of the committee to explain the procedures that we are going to follow.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. GALLO. I yield to the gentleman from California.

Mr. DIXON. Mr. Speaker, yesterday evening the Senate took up the new District of Columbia appropriations bill which we passed earlier in the day, and added three amendments, which taken together, have the effect of adding $50 million for George Washington University. I am proposing a two-step process by which I seek unanimous consent to make in order a motion to disagree to the three Senate amendments. If consent is granted, I will then formally move to disagree with the amendments of the Senate. This motion is technically debatable for 1 hour, although I do not believe it will take but a few minutes. I will then ask for a rollcall vote on my motion to disagree with the actions of the Senate, insisting that the project be dropped in this year's bill.

Mr. GALLO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. VOLKMER). Is there objection to the request of the gentleman from California?

There was no objection.

DISTRICT OF COLUMBIA SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT, 1991

Mr. DIXON. Mr. Speaker, pursuant to the order of the House just agreed to, I move to take from the Speaker's table the bill (H.R. 3291) 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, with Senate amendments numbered 1 through 3 thereto, and disagree to the Senate amendments 1 through 3.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The Clerk will report the motion and the Senate amendments.

The Clerk read as follows:

Mr. DIXON moves to take from the Speaker's table the bill (H.R. 3291) making appropriations for 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, with Senate amendments numbered 1 through 3 thereto, and disagree to the Senate amendments numbered 1 through 3, as follows:

Senate amendments:

Page 3, line 16, strike out "$9,500,000" and insert "$9,250,000".

Page 4, after line 11, insert:

GEORGE WASHINGTON UNIVERSITY MEDICAL CENTER

For the construction and renovation of the George Washington University Medical Center, $250,000, pursuant to Trauma Care Systems Planning and Development Act of 1990 (Public Law 101-590; 104 Stat. 2929), together with $16,750,000 to become available October 1, 1992, $16,500,000 to become available October 1, 1993, and $16,500,000 to become available October 1, 1994: Provided, That any funds appropriated under this head pursuant to section 6(e) of the Trauma Care Systems and Development Act of 1990 shall not be in excess of the amount allocated under section 602(b) of the Congressional Budget Act of 1974, as amended, to the Subcommittees on the District of Columbia of the Committees on Appropriations of the Senate and House of Representatives required to provide for the Federal payment, as authorized by the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 774, Public Law 93-395, as amended) and the Federal Contribution to retirement funds, as authorized by the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; Public Law 96-122, as amended).

Page 13, line 20, strike out "$875,033,000" and insert "$874,783,000".

The SPEAKER pro tempore. Pursuant to the order of the House just

agreed to, the gentleman from California [Mr. DIXON] will be recognized for 30 minutes, and the gentleman from New Jersey [Mr. GALLO] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. DIXON].

Mr. DIXON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the three amendments added to H.R. 3291 last evening by the Senate would appropriate $50 million over a 4-year period to the George Washington University Medical Center. There is nothing wrong with the spirit and the desire of the Senate to provide additional money for the health delivery system here in Washington, DC. But what is wrong is for that money to come out of the 602(b) budget allocation of the District of Columbia.

As Members know, the financial status of the District is very serious. This year, fiscal year 1991, we provided an urgent supplemental appropriation of $100 million, and the Congress is providing an additional $200 million for fiscal year 1992 in this bill.

There are at least four or five other proprietary hospitals that are in the same position as the George Washington University Medical Center, and to single out George Washington University for the next 4 years is entirely unfair and inequitable to the other proprietary hospitals. But just as important, it takes away the discretion of our committee to make those judgments.

Certainly one of the major issues in the District is providing health delivery services for approximately 20 percent or 120,000 people who have no insurance. But it is up to the District of Columbia to work out an equitable arrangement with those proprietary hospitals, and it is totally inequitable to single out one of five or six proprietary hospitals and provide them with $50 million.

I have no problem with the project itself. I have a very serious problem with the way it is to be funded.

Mr. Speaker, I reserve the balance of my time.

Mr. GALLO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to the amendment added by the other body to H.R. 3291 and ask that the House vote in favor of disagreeing with the Senate amendment.

After the House approved H.R. 3291 yesterday with the modification requested by the President on the issue of abortion, the Senate then considered this measure and added $50 million in additional spending for George Washington Hospital.

In conference on the first D.C. appropriations bill, we reported this same amendment back to the House in true disagreement. The House insisted on its disagreement and the measure was dropped from the bill. I ask the House to follow that same course today.

Let me make it clear that I am not an opponent of George Washington University Hospital.

George Washington Hospital is a vital institution and plays a critical and important role in the health care delivery system of the District of Columbia.

And, like many other hospitals, it faces the problems of uncompensated care and aging facilities.

But, we simply cannot commit $50 million over the next 4 years out of the District's budget allocation to pay for improvements to a private health care facility.

To take this funding from the District's appropriation would jeopardize the good faith and credit that has been built between Congress and the administration of Mayor Dixon.

Granted, I do not disagree that George Washington Hospital has pressing needs. But, this same need exists at other D.C. health care facilities as well. The fact is that other D.C. health care facilities bear an even greater share of the uncompensated care burden.

More important, this amendment makes promises for the future that I am not sure we can meet. Once we provide the Federal payment and the mandatory Federal contribution to the D.C. retirement fund, there is very little money left over.

In the past we have used this extra money to help the District address such needs as fire code violations in the District's schools and the need for more police foot patrols. Who is to say that next year we will have $17 million available within the D.C. budget.

Some more dire need may also arise next year that will require these moneys. If we agree to this amendment, we won't have the flexibility to respond to these needs and more important, the District will not have that flexibility.

In speaking with the Mayor this morning, she shares these same concerns. We do not deny that George Washington Hospital has real needs—but this bill is not the appropriate place to address them.

Mr. Speaker, I urge my colleagues to reject this amendment and to vote "aye" on our motion to disagree with this amendment.

□ 1210

Mr. BLILEY. Mr. Speaker, will the gentleman yield?

Mr. GALLO. I am happy to yield to the gentleman from Virginia.

Mr. BLILEY. Mr. Speaker, I rise in strong support of H.R. 3291, the revised bill making fiscal year 1992 appropriations for the District of Columbia and against the Senate amendment to hijack $50 million of the District's money.

Along with the chairman of the District of Columbia Committee, Mr. DELLUMS of California, I pledged to this body earlier this year that in supporting H.R. 2123, the formula Federal payment bill for the District of Columbia, I would fight against any further unauthorized and excessive appropriations. Let us not destroy in one vote a principle which we have worked so hard over the past 7 months to put in place.

The Congress must end its past practice of squirreling away Federal funds or pirating District funds for pet projects. Even when well-intentioned these practices have no place in the new day of District government where a very real crisis is being met with fortitude and determination by the Mayor and Council.

Unfortunately, we are faced with a situation in the other body where one Member is trying to insist on obligating $50 million in District of Columbia money for a private hospital. We must reject such a power play. Not only does the other body's amendments hijack District funds without its desire or approval, but it does not even provide the mantle of respectability by setting up a competitive process for awarding these funds to the most qualified recipient. These funds would be strictly earmarked for one private institution to the exclusion of the District budget process and of any other qualified and deserving recipient in the District. The House has spoken on this issue and it has unanimously rejected this ploy. I urge all Members to uphold the intent of this body by approving H.R. 3291 as written and insisting on the House position.

The District of Columbia appropriations bill needs to be signed before October 1, so that the new and crucial funding measures can go into effect at the start of the fiscal year. I applaud the chairman of the subcommittee, Mr. DIXON, and the ranking Republican, Mr. GALLO, for a job well done. I thank them for their efforts and their willingness to work steadfastly for the good of the District in this most critical of times. I urge all of my colleagues to vote in favor of the House position on H.R. 3291.

Mr. GALLO. Mr. Speaker, I reserve the balance of my time.

Mr. DIXON. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Mr. Speaker, I am constantly amazed at the cavalier way in which Members of the other body interject themselves in a personal manner into the D.C. budget process. At a time when Members of this body have joined together in a bipartisan manner to amend the District of Columbia Home Rule Act, extending local autonomy and bringing much needed relief to the District's budget crisis, it would seem unconscionable for a Member of the other body to personally intervene so as to direct $50 million of D.C. appropriations moneys to be set aside for an institution he holds dear.

It is the gravest breach of the right of local autonomy as well as a flagrant abuse of congressional prerogatives.

Finally, Mr. Speaker, I urge my colleagues in that regard to join with the chairman, the gentleman from California [Mr. DIXON], and the ranking Republican member, the gentleman from New Jersey [Mr. GALLO], and other members of the D.C. Appropriations Subcommittee in rejecting the Senate amendments to H.R. 3291.

I urge a vote in favor of the motion to disagree with the Senate amendments.

Mr. DIXON. Mr. Speaker, I yield 2 minutes to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Speaker, I ask this body to hold faith with the original appropriation understanding and to vote aye on this motion.

The District appropriation must surely be the smallest of all the appropriations. The reason this request from George Washington University Hospital has come to us is because they tried other doors and found they were closed. They are now picking on the smallest boy on the block.

This body has been generous to the District. We would not break faith with you, and we would certainly, therefore, not ask you to approve this amendment.

Understand what the language says. It says that every dollar above the prescribed Federal payment and retirement fund would go to a private institution, George Washington University Hospital.

We have debt-recovery bonds out. We do not know what that may hold, but we know this: It means that we will not be able to borrow if we get in trouble. We will have to come here for any excess that might be available in our appropriation.

My friends, this is nothing more and nothing less than a private bill. We cannot approve it at a time when the District is sending out layoff notices to people who have been employed in our city for 10 and 20 years. We cannot approve a grant of this magnitude to a single institution when our schools are having layoffs. We cannot approve this at a time when our city is overrun with emergencies such as gun violence and babies who are abandoned at hospitals.

If there is $1 over the Federal payment, these are the causes to which that dollar should go, not to a single private institution which ought to go out and raise its own funds.

Mr. GALLO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DIXON. Mr. Speaker, I am asking for an aye vote on the motion to disagree.

Mr. DIXON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. DIXON].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. DIXON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 405, nays 0, not voting 27, as follows;

[Roll No. 268]

YEAS—405

Abercrombie	Darden	Hefner
Ackerman	Davis	Henry
Alexander	de la Garza	Hertel
Allard	DeFazio	Hoagland
Anderson	DeLauro	Hobson
Andrews (ME)	DeLay	Hochbrueckner
Andrews (NJ)	Dellums	Horn
Andrews (TX)	Derrick	Horton
Annunzio	Dicks	Houghton
Anthony	Dingell	Hoyer
Applegate	Dixon	Hubbard
Archer	Donnelly	Huckaby
Armey	Dooley	Hughes
Aspin	Dorgan (ND)	Hutto
Atkins	Dornan (CA)	Hyde
AuCoin	Downey	Inhofe
Bacchus	Dreier	Ireland
Baker	Duncan	Jacobs
Ballenger	Durbin	James
Barnard	Dwyer	Jefferson
Barrett	Early	Jenkins
Barton	Eckart	Johnson (CT)
Bateman	Edwards (CA)	Johnson (SD)
Beilenson	Edwards (TX)	Johnson (TX)
Bennett	Emerson	Jones (GA)
Bentley	Engel	Jontz
Bereuter	English	Kanjorski
Bevill	Erdreich	Kaptur
Bilbray	Espy	Kasich
Bilirakis	Evans	Kennedy
Bliley	Ewing	Kennelly
Boehlert	Fascell	Kildee
Boehner	Fawell	Kleczka
Bonior	Fazio	Klug
Borski	Feighan	Kolbe
Boucher	Fields	Kolter
Boxer	Fish	Kopetski
Brewster	Flake	Kostmayer
Brooks	Foglietta	Kyl
Broomfield	Ford (MI)	LaFalce
Browder	Ford (TN)	Lagomarsino
Brown	Frank (MA)	Lancaster
Bruce	Franks (CT)	LaRocco
Bryant	Frost	Laughlin
Bunning	Gallegly	Leach
Burton	Gallo	Lehman (CA)
Bustamante	Gaydos	Lent
Byron	Gejdenson	Levin (MI)
Callahan	Gekas	Lewis (FL)
Camp	Gephardt	Lewis (GA)
Campbell (CA)	Geren	Lightfoot
Campbell (CO)	Gibbons	Lipinski
Cardin	Gilchrest	Livingston
Carper	Gillmor	Long
Carr	Gilman	Lowey (NY)
Chandler	Gingrich	Luken
Chapman	Glickman	Machtley
Clay	Gonzalez	Manton
Clement	Goodling	Markey
Clinger	Gordon	Martin
Coble	Goss	Martinez
Coleman (MO)	Gradison	Matsui
Coleman (TX)	Grandy	Mavroules
Collins (IL)	Green	Mazzoli
Collins (MI)	Guarini	McCandless
Combest	Gunderson	McCloskey
Condit	Hall (OH)	McCollum
Conyers	Hall (TX)	McCrery
Cooper	Hamilton	McCurdy
Costello	Hammerschmidt	McDade
Coughlin	Hancock	McDermott
Cox (CA)	Hansen	McEwen
Cox (IL)	Harris	McGrath
Coyne	Hastert	McHugh
Cramer	Hatcher	McMillan (NC)
Crane	Hayes (IL)	McMillen (MD)
Cunningham	Hayes (LA)	McNulty
Dannemeyer	Hefley	Meyers
Mfume	Quillen	Solarz
Michel	Ramstad	Solomon
Miller (CA)	Rangel	Spence
Miller (OH)	Ravenel	Spratt
Miller (WA)	Ray	Staggers
Mineta	Reed	Stallings
Mink	Regula	Stark
Moakley	Rhodes	Stearns
Molinari	Richardson	Stenholm
Mollohan	Ridge	Stokes
Montgomery	Riggs	Studds
Moody	Rinaldo	Stump
Moorhead	Ritter	Swett
Moran	Roberts	Swift
Morella	Roe	Synar
Morrison	Roemer	Tallon
Mrazek	Rogers	Tanner
Murphy	Rohrabacher	Tauzin
Murtha	Ros-Lehtinen	Taylor (MS)
Myers	Rose	Taylor (NC)
Nagle	Rostenkowski	Thomas (GA)
Natcher	Roth	Thomas (WY)
Neal (MA)	Roukema	Thornton
Neal (NC)	Roybal	Torres
Nichols	Russo	Torricelli
Nowak	Sabo	Traficant
Nussle	Sanders	Traxler
Oakar	Sangmeister	Unsoeld
Oberstar	Santorum	Upton
Obey	Sarpalius	Valentine
Olin	Savage	Vander Jagt
Olver	Sawyer	Vento
Ortiz	Schaefer	Visclosky
Orton	Scheuer	Volkmer
Owens (NY)	Schiff	Vucanovich
Owens (UT)	Schroeder	Walker
Oxley	Schulze	Walsh
Packard	Schumer	Washington
Pallone	Sensenbrenner	Waters
Panetta	Serrano	Waxman
Parker	Sharp	Weber
Patterson	Shaw	Weiss
Paxon	Shays	Weldon
Payne (NJ)	Shuster	Wheat
Payne (VA)	Sikorski	Whitten
Pease	Sisisky	Williams
Pelosi	Skaggs	Wilson
Penny	Skeen	Wise
Perkins	Skelton	Wolf
Peterson (FL)	Slattery	Wolpe
Peterson (MN)	Slaughter (NY)	Wyden
Petri	Smith (FL)	Wylie
Pickett	Smith (IA)	Yates
Porter	Smith (NJ)	Young (AK)
Poshard	Smith (OR)	Young (FL)
Price	Smith (TX)	Zeliff
Pursell	Snowe	Zimmer

NAYS—0

NOT VOTING—27

Berman	Johnston	Pickle
Dickinson	Jones (NC)	Rahall
Doolittle	Lantos	Rowland
Dymally	Lehman (FL)	Saxton
Edwards (OK)	Levine (CA)	Slaughter (VA)
Herger	Lewis (CA)	Sundquist
Holloway	Lloyd	Thomas (CA)
Hopkins	Lowery (CA)	Towns
Hunter	Marlenee	Yatron

□ 1237

So the motion was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DIXON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the disposition of the Senate amendments to the fiscal year 1992 District of Columbia appropriations bill, and that I be allowed to include tabular and extraneous material.

The SPEAKER pro tempore (Mr. VOLKMER). Is there objection to the re-

quest of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL 5 P.M., FRIDAY, SEPTEMBER 20, 1991, TO FILE REPORTS ON H.R. 3298, FARM CREDIT BANKS AND ASSOCIATIONS SAFETY AND SOUNDNESS ACT OF 1991 AND H.R. 3300, FEDERAL AGRICULTURAL MORTGAGE CORPORATION SAFETY AND SOUNDNESS IMPROVEMENT ACT OF 1991

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until 5 p.m., Friday, September 20, 1991, to file the reports on H.R. 3298, entitled the "Farm Credit Banks and Associations Safety and Soundness Act of 1991," and H.R. 3300, entitled the "Federal Agricultural Mortgage Corporation Safety and Soundness Improvement Act of 1991."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

RE-REFERRAL OF H.R. 1182, AUTHORIZING AND DIRECTING EXCHANGE OF LANDS IN COLORADO TO COMMITTEE ON AGRICULTURE AND COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. DE LA GARZA. Mr. Speaker, I ask unanimous consent that the bill, H.R. 1182, a bill to authorize and direct the exchange of lands in Colorado, originally referred to the Committee on Agriculture be re-referred to the Committees on Agriculture and Interior and Insular Affairs.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS TO HAVE UNTIL MIDNIGHT, WEDNESDAY, SEPTEMBER 18, 1991, TO FILE REPORT ON H.R. 3039, DEFENSE PRODUCTION ACT AMENDMENTS OF 1991

Mr. CARPER. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs be given until midnight on Wednesday, September 18, 1991, to file a report to accompany H.R. 3039.

I understand this request has been cleared with the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware?

There was no objection.

AID FROM THE G-7 COUNTRIES OF THE WORLD TO THE SOVIET UNION SHOULD BE TIED TO REMOVAL OF NUCLEAR WEAPONS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I think as we look at this interim period, we are seeing a rising debate on what should happen vis-a-vis aid to the Soviet Union, or dis-Union, as the world may have it.

□ 1240

However, Mr. Speaker, I think it is terribly important that the United States step forward and show very strong leadership, to ask the G-7 countries of the world, the other wealthy countries, to please tie all aid to making sure that they dismantle the nuclear weapons that are there. If we can get the Soviet Union stabilized, and moving forward, and get nuclear weapons out of there, we will have accomplished a tremendous task for this country, and for the planet and for peace.

Mr. Speaker, I am really, really horrified by the lack of leadership on the United States' part in framing that, so I hope they start to crank up. I think it is one of the most important issues out there, and I think the horror of the Soviet Union becoming more destabilized with all those nuclear weapons is something none of us wants to see happen.

So, Mr. Speaker, I hope the leadership occurs very shortly by the United States.

STAY TUNED

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, this is a shameless, utterly shameless, commercial for my 1-hour special order tonight.

The hour is young. It is only 9:40 on the west coast, 7:40 in the morning in Hawaii, and I am going to do a triple special order on attacks on the Catholic Church. It is growing nationwide. I am tired of it. Nobody is walking on my faith anymore, the faith of my beautiful Roman Catholic Church. I am going to talk about liberals all across this country, not good liberals like we have here, but crazed liberals who are saying that conservatives and anti-Communists had nothing to do with the collapse of communism around the world, that we are invalidated, and wasting our time, and now what are we going to do with our time?

Mr. Speaker, I have got time to talk about attacks on the Catholic Church, and the third thing I am going to talk about in this 1-hour special order is about a doctor in Los Angeles who stops doing abortions because he is tired of tearing apart perfect little human beings in the second trimester, and he wanted to practice his Jewish faith, and he could not do it in conscience while he was killing little human beings. It is a dynamite editorial; I mean a guest column in the Los Angeles Times, and it has torn apart their own editorial office. People are offended that they ran this article and that they showed a picture of a perfect little person, a 4½-month-old fetus.

So, stay tuned. Stay for the excellent special order of the gentleman from Pennsylvania [Mr. GEKAS], and then I will be back.

APPOINTMENT OF CONFEREES ON H.R. 2508, INTERNATIONAL COOPERATION ACT OF 1991

The SPEAKER pro tempore. (Mr. MCMILLEN of Maryland). Pursuant to the authority granted on September 12, 1991, the Chair revises the appointment of conferees on H.R. 2508, the International Cooperation Act of 1991, to read as follows:

From the Committee on Foreign Affairs, for consideration of the House bill, and the Senate amendment (except title IX), and modifications committed to conference: Messrs. FASCELL, HAMILTON, YATRON, SOLARZ, GEJDENSON, DYMALLY, TORRICELLI, BROOMFIELD, GILMAN, LAGOMARSINO, and LEACH; except as otherwise appointed in the case of Mr. LEACH.

As additional conferees from the Committee on Foreign Affairs, for consideration of title IX of the Senate amendment, and modifications committed to conference: Mr. GEJDENSON and Mr. BROOMFIELD.

As additional conferees from the Committee on Agriculture, for consideration of section 502 of the House bill, and section 516 of the Senate amendment, and modifications committed to conference: Messrs. DE LA GARZA, ROSE, GLICKMAN, ROBERTS, and MORRISON.

As additional conferees from the Committee on Banking, Finance and Urban Affairs, for consideration of sections 401, 403, 644(g), 844(b), and 846(b) of the House bill, and sections 515-16, 520(b), 606, 721-23, 731, 741-42, 771-74, and titles IX and XVIII of the Senate amendment, and modifications committed to conference: Ms. OAKAR, and Messrs. NEAL of North Carolina, LAFALCE, TORRES, LEACH, and BEREUTER.

As additional conferees from the Committee on Energy and Commerce, for consideration of sections 848(b) and 1104 of the House bill, and title XVI of the Senate amendment, and modifications committed to conference: Messrs. DINGELL, SWIFT, ECKART, LENT, and RITTER.

As additional conferees from the Committee on Judiciary, for consider-

ation of that portion of section 621 which adds a section 7202(f) to the Foreign Assistance Act and section 642(b) of the House bill, and modifications committed to conference: Messrs. BROOKS, MAZZOLI, KOPETSKI, MCCOLLUM, and SMITH of Texas.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of that portion of section 101 which adds a section 1303 to the Foreign Assistance Act of 1961, and that portion of section 621 which adds a section 7403 to the Foreign Assistance Act of the House bill, and sections 305 and 680A of the Senate amendment, and modifications committed to conference: Messrs. JONES of North Carolina, STUDDS, TAUZIN, DAVIS, and LENT.

As additional conferees from the Committee on Public Works and Transportation, for consideration of sections 848(b) of the House bill, and title XVI of the Senate amendment, and modifications committed to conference: Messrs. ROE, NOWAK, HAYES of Louisiana, HAMMERSCHMIDT, and PETRI.

As additional conferees from the Committee on Ways and Means, for consideration of sections 642(c), 901, and 1071 of the House bill, and sections 514–16, 607A and 690 of the Senate amendment, and modifications committed to conference: Messrs. ROSTENKOWSKI, GIBBONS, JENKINS, ARCHER, and CRANE.

The Clerk will notify the Senate of the changes in conferees.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, SEPTEMBER 25, 1991

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the business in order under the calendar Wednesday rule be dispensed with on Wednesday, September 25, 1991.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

ADJOURNMENT FROM THURSDAY, SEPTEMBER 19, 1991, TO MONDAY, SEPTEMBER 23, 1991

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that when the House adjourns on Thursday, September 19, 1991 it adjourn to meet at noon on Monday, September 23, 1991.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

PENSIONS SHOULD NOT ACCRUE WHEN PUBLIC OFFICIALS ARE CONVICTED

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, Members of the House, I have introduced legislation which will add a strong deterrent to those Members of Congress, or other high elected or appointed officials, from committing bribery, fraud, or other illegally conceived means by which to self-aggrandize their own pockets. I am introducing legislation that would say that if an individual, like a Member of Congress, should be convicted of bribery, that in addition to the fines and penalties, including a jail sentence, that might be appended to such a conviction, that indeed the pension that would accrue to that individual be forfeited. That would close a loophole that too often stands in the way of making sure that our fellow public officials wend their proper way through the courts of justice.

Mr. Speaker, what happens is that we have seen a history of this kind of occasion when a Member of Congress or other high official is convicted, goes to jail, pays a fine and then comes out of the prison sentence only to find his pension waiting to sustain him the remainder of his life. There is something wrong with that. My bill would end that kind of ludicrous outcome.

□ 0920

SUPPORT POW/MIA TRUTH BILL

(Mr. EWING asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. EWING. Mr. Speaker, I would like to bring to the attention of my colleagues the plight of Navy Lt. Daniel Borah, Jr., of Olney, IL, whose plane was shot down in 1972 during the Vietnam conflict. Lieutenant Borah is still missing in action.

Lieutenant Borah's sister, Kathy Borah Duez of LeRoy, has remained confident over the years that her brother survived the crash and is still alive in southeast Asia. She has struggled to obtain information about her brother's fate. Recently two photos have surfaced, taken in Laos, of a man who bears a stunning resemblance to Lieutenant Borah.

I don't know whether Borah is alive or not. But there certainly is substantial evidence that he could be, and this case must be fully investigated. The Borah case is another example of the difficulty many POW/MIA families have in obtaining complete information about their loved ones.

I would like to commend Congressman JOHN MILLER for his introduction of H.R. 1157, the POW/MIA truth bill, which will help thousands of families like the Borah's to get the information they deserve about the fate of their loved ones. I encourage my colleagues to cosponsor this very important legislation.

[From the Bloomington, IL, Pantagraph]

SPECIALIST TO EXAMINE MIA PHOTOS

(By Melinda Zehr)

A forensic specialist is expected to determine whether a LeRoy woman's brother, who has been missing since his airplane was shot down in 1972 during the Vietnam War, is the same man pictured in photographs allegedly taken recently in Laos.

Michael Charney, a former anthropologist at Colorado State University, said during a telephone conversation yesterday that he has been informed he is to receive photographs of Navy Lt. Daniel Borah Jr. of Olney and will begin an analysis as soon as they are received.

"We already know that it is him but we need—more for the media than anyone else—proof, or, rather, confirmation, that it's him," said Borah's sister, Kathy Borah Duez of LeRoy.

Charney, who has conducted many similar comparisons, was described by Mrs. Duez as a respected expert in photo identification.

Modestly, 80-year-old Charney said the process is "simple," given the expertise and right equipment.

Once he receives the photographs of Borah—both in Laos and before his Vietnam tour—Charney said the faces, including eyebrows, hairline, eyes, nose, mouth, lips, chin, ears and any muscle creases, will be outlined.

The outlines, one in red and the other in black, will be made using a computer that "will draw a line for me to an accuracy of 1/100th of an inch," Charney said.

Then, the two images will be superimposed, allowing conclusion to be drawn.

He will start with the ears because they are highly distinctive.

If there is a difference between the lobes, "we don't go any further; it isn't necessary." But if the lobes are the same, Charney said he will look at other aspects of the ears, including the folded outer rim.

Then, additional parts of the faces will be scrutinized until all have been compared.

Charney said it doesn't matter that the age difference between the photographs of Borah is nearly 19 years. Borah was 26 years old when his airplane was shot down; he would be 45 now.

"It doesn't much matter what happens to a person over the years," Charney said. "Your nose may get a little heavier, . . . you'll form pouches and you'll get creases and you'll get jowls.

"But the bone doesn't change; the underlying bone remains the same," he added.

Charney said that in most cases, he can determine "yes or no" whether two photographs are of the same person.

"Do I make errors? I suppose so," Charney said, answering his own question. "Everyone makes errors and I'll correct them where I see them."

Earlier this year, Charney determined that a photograph taken in February 1990 in Laos is that of Vietnam POW/MIA Army Capt. Donald Carr of East Chicago, Ind.

"I don't think it's the same guy; I know it is the same guy," Charney told USA Today.

Charney also is expected to make comparisons of the men pictured in the first photograph that surfaced recently in the media—one purportedly of Air Force Col. John Leighton Robertson, Air Force Maj. Albro Lynn Lundy Jr. and Navy Lt. Larry James Stevens, all fliers.

He began lending his expertise to families of missing U.S. service people in 1985, when he was asked by the wife of a Vietnam POW/MIA to determine whether the skeletal re-

mains sent to her were indeed that of her husband.

"That's when I first discovered that the Army was just plain lying—not making errors, but deliberately lying," Charney said. "And I said so in front of a congressional committee in 1966. All they say is that I'm ludicrous."

Until most recently, Charney said "99.9 percent" of the POW/MIA work he has done involved determining whether the identification of skeletal remains was properly done by the U.S. military.

He does his work free of charge to the families of missing U.S. service people.

KERRY TRACKING "HOT" MIA LEADS

BOSTON.—Saying he has "hot leads" on the fate of American servicemen missing in southeast Asia, Massachusetts Sen. John Kerry is traveling to Thailand, Cambodia and Vietnam. He leaves today on the eight-day trip.

"I approach this with an absolute judgment of possibility that somebody is alive," said Kerry, a Vietnam veteran and chairman of a new Senate committee on missing serviceman. "We have a number of cases where there are 'hot leads.'" He declined to be specific.

ORDER OF BUSINESS

Mr. DORNAN of California. Mr. Speaker, I ask unanimous consent that the 60-minute special order previously granted to the gentleman from Georgia [Mr. GINGRICH] for today be vacated and that he be granted a 5-minute special order today instead.

Mr. SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

□ 1250

THE PASSIVE LOSS CORRECTION BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I rise today to speak in support of H.R. 1414, the passive loss correction bill. I am one of over 300 cosponsors of this important legislation. If H.R. 1414 is passed it would permit real estate professionals to operate under the same tax rules imposed on other professional entrepreneurs, thereby allowing those who spend at least one half of their business time on activity related to real estate to deduct losses generated by a real estate project in which they actively participate.

Mr. Speaker, H.R. 1414 would increase the supply of affordable rental housing, opening up opportunities for middle-class Americans to attain decent housing. This bill would also keep real estate values constant and help shore up the Nation's financially troubled banks and savings and loan associations.

The passive loss rules did not originate from the House of Representatives. However it is our responsibility to correct this inequity so that our economy can begin a new growth period—and that will benefit all Americans.

UTAH SEEKS RELIEF FROM WASTE DISPOSAL PROBLEMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah [Mr. OWENS] is recognized for 5 minutes.

Mr. OWENS of Utah. Mr. Speaker, I am increasingly concerned about the problem of interstate waste incineration and disposal operations. The situation in Utah is a textbook illustration. Certain States are being singled out to bear the waste disposal burdens created by others. I absolutely object to this brand of exploitation. States such as Utah are literally left holding the bag—bags which are filled with municipal or toxic refuse—for other States which, instead of recycling and otherwise dealing with their own waste problems, send them out of State, and out of mind, for disposal.

Utah is threatened by a proliferation of waste incinerators with an overall capacity far beyond the State's own needs. A total of 19 facilities, including hazardous waste incinerators, nerve gas and munitions incinerators, medical waste incinerators, cement kilns, and a garbage incinerator, have either received permits or have submitted applications to burn various types of wastes in Utah all of them in beautiful unspoiled Utah.

For instance, two hazardous waste incinerators have received permits to operate in Tooele County. One of these is already under construction. Their combined capacity is approximately 180,000 tons per year, an absolute guarantee that they will accept hazardous wastes from out-of-State. A medical waste incinerator is under construction in Salt Lake County, while two more have either applied for or received permits, one in central Utah and the other in Ogden. Two more commercial facilities have applied for permits to burn waste tires as fuel.

The Army currently operates four incinerators in Tooele County for the destruction of chemical weapons, with a group of five more under construction and an additional one on the drawing board. These facilities are supposedly going to close following the destruction of the 42 percent of the Nation's chemical weapons which are stockpiled in Utah. But, there are already concerns that the capital investment involved will encourage the Army to continue to run the incinerators for other Federal wastes shipped from out of State. Will be prepared to fight that one.

But, incinerators represent only part of our growing interstate waste story. A commercial hazardous waste landfill in Tooele County disposes of hazardous wastes and PCB's. A second commercial landfill in the same county is licensed to handle naturally occurring radioactive materials, the only such facility licensed in the entire United States. It also has a cell for mixed hazardous and low-level radioactive wastes.

We are also confronting the unpalatable prospect that Utah will be forced to accept municipal garbage from other States or even Canada. A large commercial landfill of 2,400 acres is planned in east Carbon County. The owners have received the necessary permits to dispose of municipal and industrial wastes, including foreign garbage. It is widely perceived, in part because of the landfill's size and rail access, that it could become yet another magnet for out-of-State wastes.

Increasingtly, Utahans are calling for changes in Federal law to give us control over what now appears to be a mushrooming trend toward out-of-State wastes. I've introduced legislation, H.R. 816 and H.R. 2671, which would provide the needed authority. I firmly believe that it's the only fair way to go. I urge my colleagues to support that progressive, fair approach to waste disposal.

LISTENING TO HOOSIERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. ROEMER] is recognized for 5 minutes.

Mr. ROEMER. Mr. Speaker, in the last few weeks and months I have been listening, listening to the people in the heartland, in the Middle West. At open meetings from Nappanee to Michigan City, I have heard from Hoosiers who are proud, especially proud that the principles that we cherish, democracy and freedom, have finally prevailed in the long and tense cold war. But these same people are very worried, Mr. Speaker, and in Indiana they have come to open meetings to ask tough and important questions.

Hoosiers are worried about jobs. They are worried about their children's opportunities in the future, and they are worried about the American dream and fulfilling that dream through college education and home ownership.

Mr. Speaker, they asked me why we need to be spending $7.1 billion each year defending Japan and the Asian basin and $17.7 billion each year defending Western Europe when the old Warsaw Pact no longer is a military threat, and when here at home our own borders are not secure from illegal aliens and drug smugglers.

Hoosiers asked me why our students here in the most powerful Nation in the world, are behind students from other countries in math and science skills. They asked me why so many people in Washington are talking about

sending our American tax dollars to the Soviet Union when our national debt continues to escalate and spiral. Hoosiers asked why the United States has now become more dependent than ever on foreign oil.

And again, Mr. Speaker, I heard good, tough questions about health care.

□ 1300

Young working couples are asking how they can choose between paying their rent and paying for their children's health care costs.

Mr. Speaker, at one town meeting that I had just recently, a young couple came up to me and said, "Tim, we want to live in the Midwest. If our grandparents or parents get sick, we want to be near them and keep the nuclear family together." But that quest is becoming more and more difficult, because we are not being proactive enough in keeping our manufacturing jobs in this country.

Older Americans have asked me how they can be protected from an illness wiping them out and wiping away a home or a farm or a lifetime of savings.

Mr. Speaker, the people of the Third District of Indiana are ready for our Nation's leaders to turn their attention to problems here at home. And I believe these Hoosiers represent the concerns and hopes of most Americans.

The American people are looking for courageous and innovative leadership on a new national security strategy that doesn't put the policing of the whole world on the back of our taxpayers.

They are looking for an energy policy that doesn't leave our economy in the hands of foreign governments.

Americans are looking for someone to step forward with ideas for affordable health care for our Nation. My constituents don't think there are any simple and easy answers, but they do believe we can do better.

The people of Indiana, and people everywhere in America, want democracy and peace around the globe. But they want that peace to mean that we can now focus on improving our schools, on repairing our roads and bridges, on making health care affordable, and on reducing the deficit.

Mr. Speaker, to those in this body or those who sit in offices down Pennsylvania Avenue who doubt that the American people want the Congress to focus our energies on problems here at home, I advise a trip out of the office for a few days of listening. What the people of this country are saying makes a lot of common sense.

NATIONAL ACCESSIBLE HOUSING MONTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. MICHEL] is recognized for 5 minutes.

Mr. MICHEL. Mr. Speaker, 1 year ago Congress and the President enacted landmark legislation, the Americans With Disabilities Act. The goal of this legislation is to help Americans with disabilities to enter the mainstream of American society. For this legislation to be effective, it is crucial that the public be aware of the obstacles faced by Americans with disabilities on a daily basis.

In that regard, I am joined today by my colleague from Maryland, Congressman HOYER, in introducing a joint resolution designating the month of November 1991 National Accessible Housing Month.

Over the past year we have seen the development of public-private partnerships intended to heighten public awareness of such problems. This legislation seeks to highlight such partnerships.

One such partnership is the national public education campaign conducted by the National Easter Seal Society and Century 21 Real Estate Corp. The program, entitled "Easy Access Housing for Easier Living," focuses on home designs which accommodate persons with disabilities. The program answers questions about barrier-free designs and structural accommodations which allow easy entry and movement throughout homes.

Since 70 percent of all Americans will at some time during their lives suffer from a permanent or temporary disability, it is clear that barrier-free homes are or will be an important consideration for many Americans.

Although retrofitting existing structures to remove obstacles such as stairs, narrow doorways and other structural impediments can be very costly, designing barrier-free homes from the outset can be cost effective.

Let's encourage the establishment of such public and private partnerships to solve problems in an innovative manner form the outset.

Please join Congressman HOYER and me in cosponsoring House Joint Resolution 326, designating the month of November 1991 as National Accessible Housing Month. A copy of the resolution is printed below.

H.J. RES. 326

Whereas the Congress in the Americans with Disabilities Act of 1990 found that there are 43,000,000 individuals with disabilities in this Nation;

Whereas 70 percent of all Americans will, at some time in their lives, have a temporary or permanent disability that will prevent them from climbing stairs;

Whereas 32,000,000 Americans are currently over age 65 and many older citizens acquire vision, hearing, and physical disabilities as part of the aging process;

Whereas many older Americans who acquire a disability are forced to leave their homes because the homes are not longer accessible to them;

Whereas 1 out of every 3 persons in the United States will need housing that is accessible to the disabled at some point in their lives;

Whereas the need for accessible single-family homes is growing;

Whereas the need for public information and education in the area of accessible single-family homes is increasing;

Whereas this Nation has placed a high priority on integrating Americans with disabilities into our towns and communities;

Whereas the private sector has helped increase public awareness of the need for accessible housing, as exemplified by the national public education campaign conducted by the National Easter Seal Society and Century 21 Real Estate Corporation, entitled "Easy Access Housing for Easier Living"; and

Whereas increased public awareness of the need for accessible housing should prompt the participation of civic leaders, and representatives and officials of State and local governments, in the drive to meet this need: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the month of November 1991, is designated as "National Accessible Housing Month". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate programs and activities.

CHICAGO'S 26TH ANNUAL GENERAL VON STEUBEN DAY PARADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, this week marks the 261st anniversary of the birth of Gen. Friedrich Wilhelm von Steuben, a German immigrant who fought with skill and valor during the American Revolutionary War.

We honor his memory because General von Steuben helped to establish our American democracy during the birth of our Nation. As a soldier and patriot, General von Steuben epitomizes the contributions made by tens of thousands of German-Americans to the development of the United States.

To honor these contributions, I am proud to announce that the United German-American Societies of Greater Chicago are sponsoring their 26th annual von Steuben Day parade this Saturday in downtown Chicago. The parade, which begins at noon, will showcase German-American heritage with colorful floats, drum and bugle corps, marching bands, and dancers in traditional costumes. The parade will include a salute to our friendship with the Federal Republic of Germany, which has moved swiftly in the past year to begin rebuilding Eastern Germany after the fall of communism.

I wish to extend my congratulations and best wishes to Mr. Karl C. Laschet, who is serving once again as the outstanding grand marshal of the parade. I also would like to offer greetings to all German-Americans from the 11th Congressional District, which I am honored to represent, and to German-Americans across the United States.

Because German immigrants have contributed so much to America, I have cosponsored a bill designating October 6 as German-American Heritage Day. That date marks the anniversary of the arrival of the first German-American immigrants, who settled near Germantown, PA in 1683. The resolution reads as follows:

H.J. RES. 180

Whereas since the arrival of the first German immigrants to America on October 6th, 1683, in the area of Germantown, Pennsylvania, German-Americans have made significant contributions to the quality of life in the United States;

Whereas German-Americans are proud of the existing friendship and cooperation be-

tween the Federal Republic of Germany and the United States, of which the German-American Friendship Garden in Washington, DC, is evidence;

Whereas German-Americans pledge their unconditional support for further expansion of the existing friendship between Germany and the United States, and will continue to contribute to culture of the United States, support its government and democratic principles, and will also work to help assure the freedom of all people;

Whereas President Bush lauded German unification and the spirit of friendship and cooperation between the people of the Federal Republic of Germany and the people of the United States during proclamation ceremonies for German-American Flag Day on October 3, 1990; and

Whereas the Congress unanimously passed joint resolutions designating October 6th of 1987, 1988, 1989, and 1990 each as "German-American Day": Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 6, 1991, and October 6, 1992, are each designated as "German-American Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe such days with appropriate ceremonies and activities.

As one of America's best-known German immigrants, General von Steuben contributed to our struggle for freedom by establishing professionalism among America's Armed Forces. A Prussian Army officer who had served as an aid-de-camp to King Frederick II, von Steuben accepted a commission in the American Continental Army in 1778. Gen. George Washington assigned him to the task of training American troops, and von Steuben earned such praise for this effort that the advanced to the rank of major general. That winter von Steuben wrote "Regulations for the Order and Discipline of the Troops of the United States", a training manual that reflected his genius for military discipline and organization. Known as the "Blue book," this work served as the Army drill manual until 1812.

Von Steuben contributed battlefield skills to the American cause as well. During the crucial siege of Yorktown in 1781, von Steuben commanded one of three divisions of American troops under George Washington. On the night of October 11, von Steuben's forces boldly set the stage for victory by establishing fortifications a mere 300 yards from the British lines. Encircled and facing defeat, the British general, Charles Cornwallis surrendered on October 19. Von Steuben shared in this triumph that was America's greatest victory of the war.

The U.S. Government showed its gratitude to von Steuben by granting him citizenship, and Congress approved a $2,500 yearly pension for him after the war. The State of New York added the gift of a 16,000-acre estate near Utica, where von Steuben lived until his death in November 1794.

PRESIDENT SET NEW RECORD FOR SLOW GROWTH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, the debate today concerned the unemployment extension bill. I heard remarks from the other side that concerned me when somebody referred to this bill as a Government handout, a handout to working men and women who are temporarily unemployed through no fault of their own and are trying to get work again, and just need help for another 13 weeks to keep the kids in school, to pay the tuition, to pay the car payment, to make the mortgage payment, to keep the health insurance in effect.

That is no Government handout. These are men and women who have invested in this country every year in the form of tax dollars in their own commitment.

Then there are also proposals made from the other side about a growth package, they called it, to help the economy along. Don't help the victims of it, but help the economy along. So they offered us tax cuts that equaled the sum of the tax cuts enacted before.

Mr. Speaker, I think we ought to talk about what the results of those 12 years of economic policies have been, because I think it is pretty clear from the administration's own statistics.

If you look at this chart beside me prepared by the Democratic Study Group, you will see the comparison of economic growth during the first 3 years of the Bush administration compared to all the Presidents going back to President Eisenhower.

What you see is that under President Bush to date, there has been growth in our economy, our gross national product, GNP, of only 0.7 of 1 percent. That is this tiny red bar right here.

The other area, the shaded area, the pink area, is the projected growth by the administration, by the Office of Management and Budget, for the first 3 years of the Bush Presidency. If they are correct, and if in the next few months they actually get 2.3 percent GNP growth, which is a pretty tall order, but if they do, it brings it up to here, 3 percent.

Three percent in the first 3 years, compared to President Reagan having 5.8 percent in his first 3 years, compared to President Carter having 11.7 percent in his first 3 years, compared to President Ford having 5.1 percent, President Nixon, 5.3 percent, President Johnson, 17 percent, President Kennedy, 14 percent, and President Eisenhower, almost 6 percent. Three percent. But, significantly, 0.7 of 1 percent is all we have seen so far.

How does that stack up compared to the other countries? Is President Bush just presiding over a generally stagnant world economy?

Not exactly, because in the same period of time, France, for instance, has grown by 4.6 percent, the Netherlands has grown by 5.8 percent, Germany by 8.2 percent, and Japan, experiencing its first slight recession, is still 11.7 percent.

Once again, the Bush record is 0.7 of 1 percent.

But then you start looking back and you can see that the policies we are being asked to adopt today by the other side, the same policy of tax cuts without paying for it, of adding to the deficit, of not investing, doing the kind of public investment in infrastructure and education that needs to be done, you can see where those policies have gotten us.

Mr. Speaker, let me make another projection. When I come back, hopefully when I come back next year and the year after, and we are looking at this chart, we are going to see the stagnant growth has continued. Why? Because there is no economic policy.

It is interesting that they fight so hard for the stealth bomber, because they have a stealth economic policy, a stealth domestic agenda. They say it is up there, they say it is out there, you ought to be able to hear it, but you cannot see it.

You can see the results. The results are very clear, that the economic policies pursued by this administration have gotten us 0.7 of 1 percent growth. That is it, folks. Count it up, if you can see it, 0.7 of 1 percent growth in the time President Bush has been in office. And at the very best, and these are the administration's figures, by the President's own figures, the most we can expect for his first 3 years is 3 percent.

Now let us talk about who it is that knows how to run the economy. These figures bear out quite clearly, I believe, that the economic policies must be changed, and that we need to be going toward growth policies, those policies that truly reflect growth. We need to be investing in job training, investing in helping our working American families keep their jobs. And in the time they are in transition, we need to help keep their body and soul together. We need to be investing in education, in making sure that working families get assistance they need through Pell grants and guaranteed student loans to send their children to college.

Mr. Speaker, we need to be talking about health care. We need to be talking about preventive medicine, in which a dollar put in today saves $5. There are a whole lot of things we need to be talking about.

Mr. Speaker, I think this needs to set the record straight. We heard a lot of claims today from the other side, but the one thing they did not talk about is what the actual record is. Now I think you know, and now I think you know whose agenda we ought to be adopting.

BANKING COMMITTEE OVERSIGHT OF THE INSURANCE INDUSTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, the recent collapse of several major insurance companies highlights the importance of the oversight and legislative functions of the Committee on Banking, Finance and Urban Affairs regarding insurance regulation. Insurance companies, like depository institutions, have begun to suffer the financial consequences of their risky investments, including portfolios similar to those of savings and loans in the late 1970's and early 1980's, that is, exorbitant promises to pay—liabilities—coupled with declining asset values.

In addition, the General Accounting Office has identified lax regulation, low capital standards, overvalued assets, flimsy accounting practices, and fraud as principal causes of insurer failures. In the last 7 months, five large life insurers—Executive Life, First Capital Life, Monarch Life, Mutual Benefit Life, and Guarantee Security Life—have been seized by regulators due to insolvency.

The Guarantee Security Life Insurance Co., sixth largest in Florida, collapsed due to its vast junk bond holdings, while the Mutual Benefit Life Insurance Co. of New Jersey had $1.1 billion of its $14 billion in assets tied up in four problem loans and experienced runs prior to seizure. Also, the collapse of the Executive Life Insurance Co. has resulted in devastating losses, and in at least one case failure, for hundreds of community banks around the country that purchased municipal bonds guaranteed by Executive Life.

The regulation of the business of insurance is a function which has historically been performed by the States, with the Federal Government choosing not to exercise its preemptive authority. However, in light of the destabilizing impact of insurance company failures on the national economy, the Banking Committee, and its Subcommittee on Policy Research and Insurance, will increase its oversight of the insurance industry and reexamine what should be the proper role of the Federal Government in the regulation of the business of insurance.

State regulation has resulted in duplicative, conflicting, and often inadequate regulation. For example, although approximately 17 States have adopted some form of independent certified public accountant requirement, no two States have adopted exactly the same requirements. Also, the adequacy of regulation over an insurer will vary depending on the sufficiency of the resources devoted to that function by the State with primary regulatory responsibility over that particular insurer. The safety and soundness of the insurance industry is perilously subject to all these vagaries.

The business of insurance has traditionally meant the spreading of risk so as to minimize the destabilizing effect of sudden and often catastrophic economic losses. However, in recent times, the business of insurance companies has come to encompass much, much more. Modern insurance companies have developed into full scale financial intermediaries and perform many of the same functions as other financial institutions in today's global economy.

Financial intermediation is an activity through which the savings of individuals are used to meet the borrowing needs of businesses, governments, and households. Financial intermediaries that are permitted to accept deposits are called depository institutions. Nondepository financial intermediaries include insurance companies, pension funds, and mutual funds, whose accounts are not considered deposits, even though checks can be written against them.

Because financial intermediaries act as middlemen in arranging financing for purchases by firms, governments, and households, they participate in two markets: the market for receiving loanable funds and the market for investing. Depository institutions receive their loanable funds primarily through accepting deposits. Insurance companies receive their loanable funds by selling insurance policies. In fact, commercial banks and life insurance companies engaged in the greatest amount of net lending in 1988 in the U.S. intermediary capital market.

Insurance companies now offer many of the same financial and investment services as banks and other depository institutions. For example, insurance companies attract savers' funds by offering guaranteed investment contracts [GIC's], which are similar to bank investment contracts. Also, the insurance industry is an enormous source of lendable funds, and as a provider of credit, it competes with depository institutions in attracting borrowers.

Likewise, as the distinction between banks and insurance companies becomes further blurred, banks are offering more insurance services. Current national bank insurance activities include the underwriting of insurance in the form of credit-life policies to accompany loans, the sale of insurance policies where the bank is based in a town of fewer than 5,000, and the sale of annuities, which are traditionally an insurance company product. Also, some States allow their state-chartered banks broader authority to sell insurance, and recently one State has become the first to allow its state-chartered banks to underwrite and sell all types of insurance inside and outside the State.

The Banking Committee's exclusive jurisdiction over the insurance industry is provided for in rule 10 of the rules of the House, which contains the specific grant of jurisdiction to the committee over banking that is, the solicitation of deposits (including GIC's which are in turn loaned out), "credit" (insurance companies are an enormous provider of credit in the U.S. economy), and "economic stabilization" (the spreading of risk by insurance companies is possible the single most stabilizing function in the U.S. economy). As a practical matter, it also makes sense that the Committee with jurisdiction over the banking industry, deposit insurance, flood insurance, and crime insurance also have jurisdiction over life insurance, property/casualty insurance, and the companies which provide such insurance.

The Subcommittee on Policy Research and Insurance has done extensive work in the field of insurance. In March of this year, the subcommittee produced a comprehensive report on the business of insurance entitled "A Descriptive Analysis of the Insurance Industry in the United States." The subcommittee has recently reauthorized the Federal flood and crime insurance programs, and has held numerous hearings on the need for a Federal earthquake insurance program. These programs are illustrative of the Banking Committee's responsibility, concurrent with its jurisdiction over insurance matters, to assess where the private insurance market has failed and therefore requires Federal intervention. The subcommittee will soon conduct additional hearings on the adequacy of State insurance guarantee funds.

In recognition of the need for regulation to ensure the safety and soundness of the insurance industry, on July 31, 1991, I introduced the Federal Reserve Liquidity Assistance Act of 1991. The act would provide for the short-term liquidity needs of insurance companies, as was needed but unavailable from the State insurance guarantee fund in the case of Mutual Benefit, and establishes minimum solvency standard which an insurance company must meet before it may obtain discounts or advances from the Federal Reserve.

Under this bill, an eligible insurance company must meet minimum financial resource requirements, as established by the Federal Reserve in consultation with State insurance regulatory authorities. This requirement would provide an incentive to any insurance company that wanted access to the Federal Reserve discount window to maintain minimum standards of health, and would be a first step in establishing uniform safety and soundness standards.

There are several aspects of the insurance industry, and the regulation thereof, which the Banking Committee must address. The first involves the question of what role the Federal Government should play in the regulation of the insurance industry. The overriding goal of any regulation should be to promote the safety and soundness of the industry. This involves many fac-

ets of the insurance industry: Chartering and licensing, reporting, examinations, customer protection, rate setting, investments, product lines, health and solvency measures/standards, enforcement, reinsurance, Government guarantees, life/health versus property/casualty, and insurance service organizations. Some areas may benefit from uniform Federal regulation, while others might operate more efficiently on a state-by-state basis. Some form of dual regulation, as in the banking industry, may be desirable. These are the initial issues which the Banking Committee will address. Much must be done, and the Committee is eager to move ahead with the task.

Mr. Speaker, for the RECORD I submit H.R. 3119 and an article from the September 16, 1991, New York Times.

H.R. 3119

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 "Federal Reserve Liquidity Assistance Act of 1991".

SEC. 2. PROCEDURES APPLICABLE TO LIQUIDITY ASSISTANCE TO INSURANCE COMPANIES.

The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended by inserting after section 13a the following new section:

"SEC. 13B. PROCEDURES APPLICABLE TO LIQUIDITY ASSISTANCE TO INSURANCE COMPANIES.

"(a) IN GENERAL.—For the purpose of ensuring that liquidity assistance is available on an objective basis to any insurance company, particularly if 1 or more insurance companies are threatened by a potential liquidity crisis and short-term credit may not otherwise be available to such companies and in addition to any other procedure or condition established under this Act, the procedures and conditions established under this section shall apply to liquidity assistance provided by any Federal Reserve bank under this Act to any insurance company.

"(b) ELIGIBILITY.—An insurance company may obtain liquidity assistance under this Act only if the company is certified by the board to be eligible for such assistance in accordance with the procedures established under subsection (d).

"(c) FINANCIAL RESOURCE REQUIREMENTS.—

"(1) ESTABLISHMENT REQUIRED.—Before the end of the 180-day period beginning on the date of the enactment of the Federal Reserve Liquidity Assistance Act of 1991, the Board, in consultation with State insurance regulatory authorities, shall establish minimum financial resource requirements for insurance companies for purposes of this section.

"(2) DENIAL OF LIQUIDITY ASSISTANCE FOR FAILURE TO MEET MINIMUM REQUIREMENTS.—No insurance company may be certified by the Board as being eligible for liquidity assistance under this Act unless such company meets or exceeds the minimum financial resource requirements established under paragraph (1).

"(d) PROCEDURES FOR CERTIFICATION OF ELIGIBLE COMPANIES.—

"(1) IN GENERAL.—The Board shall establish procedures for certifying insurance companies as eligible for liquidity assistance under this Act.

"(2) GUIDELINES FOR VALUATION OF COLLATERAL AND DETERMINATION OF RATES.—The certification procedure shall include guidelines for—

"(A) the valuation of collateral provided by any insurance company in connection with any liquidity assistance provided under this Act; and

"(B) the determination of financing costs applicable for any such assistance.

"(3) LIST AUTHORIZED.—The Board may maintain a list of the insurance companies which are eligible for liquidity assistance under this Act.

"(e) TERMS AND CONDITIONS OF ASSISTANCE.—

"(1) COLLATERAL REQUIREMENT.—No liquidity assistance may be provided under this Act by any Federal Reserve bank to any insurance company unless the assistance is secured by collateral of a type and in an amount approved by the bank.

"(2) COMPARABLE TERMS.—Any liquidity assistance provided under this Act by any Federal Reserve bank to any insurance company shall be made for such period of time and at such financing costs as are generally applicable to advances to depository institutions (as defined in section 19(b)(1)(A)) under section 10, 10(a), and 10(b).

"(3) NOTICE OF LIQUIDITY ASSISTANCE TO BOARD AND STATE INSURANCE REGULATORY AUTHORITY.—Any Federal Reserve bank which provides liquidity assistance under this Act to any insurance company shall provide prompt notice of such assistance to the Board and any appropriate State insurance regulatory authority.

"(f) REQUESTS FOR LIQUIDITY ASSISTANCE.—

"(1) COPIES TO BOARD AND STATE INSURANCE REGULATORY AUTHORITY.—A copy of any request to any Federal Reserve bank for liquidity assistance under this Act by any insurance company shall be submitted to the Board and any appropriate State insurance regulatory authority.

"(2) CONTENTS OF NOTICE.—Any request for liquidity assistance under this Act by any insurance company shall contain a certification by the company that—

"(A) as of the date of such request, the company is and, during the 12-month period ending on such date, has been in compliance with the minimum financial resource requirements of the Board and any appropriate State insurance regulatory authority; and

"(B) the collateral offered by the company to secure any such assistance is adequate.

"(g) COMPLIANCE REPORTS FROM STATES.—No liquidity assistance may be provided under this Act to any insurance company if any State insurance regulatory authority which has jurisdiction over such company, or any activities conducted by such company, has failed to provide any examination or other enforcement or compliance report requested by the Board or any Federal Reserve bank.

"(h) LIQUIDITY ASSISTANCE DEFINED.—For purposes of this section, the term 'liquidity assistance' means, with respect to any insurance company'—

"(1) any advance made by any Federal Reserve bank under this Act to the insurance company; or

"(2) the discounting by any such bank under this Act of any note, draft, bill, or other obligation issued, drawn, or endorsed by the insurance company.

"(i) REGULATIONS.—The Board shall prescribe such regulations as the Board may determine to be appropriate to carry out the purposes of this section.

"(j) ANNUAL REPORT TO BANKING COMMITTEES.—The Board shall submit an annual report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on any liquidity assistance provided by any Federal Reserve bank to any insurance company during the year covered by the report.".

AID FUND CONSIDERED BY INSURERS

(By Eric N. Berg)

The nation's large life insurance companies have quietly begun exploring the establishment of a giant emergency fund that could provide short-term assistance to cash-strapped insurers.

The fund, which would be financed by the companies themselves, would probably be modeled after the Federal Reserve's lending program for distressed banks.

As the Federal Reserve acts as a lender of last resort to banks whose cash is being depleted by depositor withdrawals, the insurance fund would be used to rescue insurers that are financially sound but unable to handle an onslaught of policyholders seeking refunds.

HOPING TO AVERT PANICS

"The plan should keep policyholders from panicking at the first hint of trouble," said David S. Hochstim, a financial institutions analyst at Bear, Stearns & Company, "Such panics can themselves cause a crisis for even healthy institutions."

The idea of creating an emergency fund is in the embryonic stage. Nothing firm has been put on paper and the obstacles to establishing such a fund are numerous and formidable—from deciding how much each insurer would contribute in making sure the fund was not used to bail out incompetent managements. Indeed, industry experts say the chances are against such a fund being created.

But the fact that top insurance executives are taking about such a program is testimony to the extraordinary change in psychology that has swept through the industry.

BOLSTERING PUBLIC CONFIDENCE

Insurance executives hope that the existence of such a fund could avert the type of policyholders' runs that led regulators earlier this year to seize three giant life insurers. Executive Life and First Capital Life of California and Mutual Benefit Life of New Jersey. Industry analysts say that at a minimum, establishing a fund would bolster public confidence.

"Financial institutions are confidence games," said Michael W. Blumstein, an analyst at Morgan, Stanley & Company. "So anything you can do to bolster the confidence of policyholders has got to be viewed positively."

As recently as March, before the failure of Executive Life, most industry executives would have denied that a life insurer could suffer the equivalent of a run on a bank, with hordes of customers clamoring for their money at once. Even if the effort to create a loan fund fails, analysts say, the industry will continue to seek ways to protect insurers that are basically sound but are being driven from business by policyholders cashing in.

Life insurance industry executives were unwilling to talk about the loan-fund discussions, saying that even publicizing the subject could rattle already-nervous policyholders. But people familiar with the effort say it is being led by Ian M. Rolland, the chairman and chief executive of the Lincoln National Life Insurance Company, the nation's 13th largest life insurer, with nearly $20 billion in assets.

Mr. Rolland is also the chairman of the newly formed solvency committee of the American Council of Life Insurance, the industry's Washington-based trade group. Also on the committee are Robert C. Winters, chairman and chief executive of the Prudential Insurance Company of America, who is understood to strongly support a loan fund, and Edward H. Budd, chairman and chief executive of the Travelers Corporation. None of the three executives returned telephone calls seeking comment.

MEETING PLANNED

All three men are expected to attend a meeting of the solvency committee to be held before the council's regularly scheduled board meeting on Friday in Laguna Niguel, Calif., south of Los Angeles. Establishing a loan fund is not on the solvency committee's agenda, but given Mr. Rolland's strong interest in a fund, it is possible he could raise the subject before the council's board.

Should the current exploratory talks develop into concrete plans, the effort would almost surely be coordinated by the council. Richard S. Schweiker, the former United States Senator from Pennsylvania who is the council's president, has already participated in conference calls in which top industry executives have discussed the idea of a loan fund.

But neither Mr. Schweiker nor the council's board has lent support to the concept. And while acknowledging that creating a loan fund is being discussed, Mr. Schweiker issued a statement on Friday emphasizing that the effort so far amounted only to "initial, exploratory discussions," largely by industry technicians.

HELP FOR CURBING PANICS

If a loan fund like the Federal Reserve's bank operation could be organized, experts said it could go a long way toward preventing another policyholder panic like the one that most recently claimed the Mutual Benefit Life Insurance Company, a huge life insurer based in Newark.

While no one disputes that Mutual Benefit suffered enormous losses from its investments in commercial mortgages, many insurance experts note that to this day, the company remains solvent. The only reason Mutual Benefit had to be seized, these experts say, is that a large number of customers became unnerved by the company's losses and demanded refunds of their savings at once.

In theory, the experts say, if a loan fund had been in place, either the run might not have occurred or Mutual Benefit could have borrowed from the fund to meet its cash needs.

"Establishing a liquidity facility would be positive because, at present, there really is no lender of last resort in the insurance industry," said Joan Zief, a life insurance analyst at Merrill Lynch & Company. "Today, the question policyholders and insurance-stock investors are asking is not, 'What is the value of your assets?' but rather, 'How much money can you raise overnight?'"

Terence Lennon, head of the Life Insurance Bureau of the New York State Insurance Department, also favors a loan fund. He said a fund could help an insurer avoid being forced to sell assets because of huge policyholder withdrawals.

"Just having the loan fund there might eliminate the need to sell assets," he said.

But Mr. Lennon and other experts said dozens of issues would have to be worked out before a fund could be established. For example, policyholders might not be as vigilant in selecting an insurer if they felt the loan fund would bail them out should the insurer face a cash-flow problem.

Another issue is avoiding abuse of the insurance loan fund. In particular, the fund would help companies that were essentially healthy but were suffering short-term cash pinches. But cash-flow problems often reflect more fundamental problems.

□ 1320

TERRORS WE FACE IN THIS WORLD

The SPEAKER pro tempore (Mr. McMILLEN of Maryland). Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes.

ANNIVERSARIES CELEBRATED TODAY

Mr. DORNAN of California. Mr. Speaker, I am shocked that during the whole debate today and in all of the 1-minute speeches, both before and after the regular legislative session, that no one mentioned that this is a glorious day for the Congress of the United States. It is our birthday. On September 17, 204 years ago, the Constitution of the United States was passed. That document created not only the House of Representatives but also the U.S. Senate, where our distinguished brothers and sisters serve in the upper Chamber at the north end of this, the most beautiful building in the world. But the Constitution also established the Supreme Court, where Mr. Clarence Thomas, judge of the Ninth Circuit Court, has just finished some excellent testimony which began 5 days ago. And I look forward to him joining that great branch of Government as an Associate Justice. But this great document also established the Presidency and the White House and our tripartite system of Government with its checks and balances. All of that was today.

And it is a special day for the cloakroom, because one of the great police officers on this Hill, serving 8 years defending us, joined the Republican cloakroom 5 years ago—13 years of service. So to Peggy Sampson, whose birthday it is today—still in the low thirties but I will not specify the exact number—happy birthday. And as I went up to Peggy to remind her about her wonderful birthday, she reminded me—and I am glad she did, although it was in the back of my mind this morning to call California—that this is the fourth birthday of one of my eight grandchildren, Erin Mary Griffin. She was born 4 years ago on the 200th anniversary of the birth of the U.S. Constitution and our great system of Government.

And it is also the birthday of one of the people, just to break a rule, Mr. Speaker, one of our visitors in the House gallery today. Happy birthday to the young bride up there.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. If the gentleman will suspend, his remark is not in order. It is not in order to address members of the gallery.

Mr. DORNAN of California. I am sorry, Mr. Speaker. I cannot take back the happy birthday though.

But I should note that our great former colleague, Congresswoman Lindy Boggs, who still commutes between her beautiful area of New Orleans and Washington, DC, to lend her considerable talents to the furtherance of the commonwealth of our country, always says to me every time she sees me, "How is that little granddaughter of yours, Erin? Is she still going to be the first lady President?" She certainly got a good start being born on the 200th anniversary of our Government, and I hope she does serve in Congress someday. And I hope her mother, Robin, serves in Congress someday, as well as her brothers, Kevin and Colin.

Anyway, to the more serious business that I talked about earlier, Mr. Speaker, in my 1-minute speech. I couldn't decide whether to talk today about the great terror in the Soviet Union—almost 74 years of communism this coming November 7—or to talk about an emerging terror in this country, the attack upon Christianity in general, but with a specific vitriolic twist to the attacks upon my Christian faith, Roman Catholicism, or whether to talk about the great terror of abortion in this country, 1,600,000 of America's children each year, every one of them an American citizen had they been allowed to be born. Even if the mother were to travel to a foreign country for an abortion, if the child were born, whether in Iceland, or Sweden, Africa, or Asia, anywhere, he or she would be an American if the parents were American.

So I think I will weave these all together, starting with the great terror of communism.

I said in a 1-minute speech yesterday, Mr. Speaker, that the great American, British-born, British-educated scholar, Robert H. Conquest, who has spent several decades at the Hoover Institute for War, Revolution, and Peace at Stanford University, has updated, completely revised his book "The Great Terror," published about 20 years ago, on the Stalin purges, anti-Semitism, and terror, and how it had its roots in Vladimir Lenin. There are still Marxist teachers on college campuses, in the United States, who think it is politically correct to whitewash Vladimir Ilyich Ulyanov Lenin. But he has been set down in history, this killer, as the one who said you have to secure your revolutions in blood. Stalin took on the world and became the world's greatest serial killer, even eclipsing the madman Adolf Hitler. Mr. Conquest has kept the original title, "The Great Terror," but has added a subtitle, "Reassessment." And it is a great compliment to his book that after all the new information released on Stalin's reign of terror, he did not have to

change substantially, in any way, his analysis.

I am going to submit for the RECORD a book review by a great Soviet scholar, professor emeritus of Russian history at the University of Vermont, Mr. Robert V. Daniels. His book review on "The Great Terror" says it all.

The article referred to follows:

HISTORY'S MOST EFFICIENT MASS MURDERER—THE GREAT TERROR, A REASSESSMENT

(By Robert H. Conquest)

(Reviewed by Robert V. Daniels)

"You think twenty million? I think more." So answered a young Soviet intellectual a few weeks ago to a passing comment about the number of Joseph Stalin's victims.

The terror of the 1930s, directed against peasants, intellectuals, Communists who had opposed Stalin in the 1920s, and Stalin's own army and bureaucracy, is a nightmarish memory that still transfixes Soviet citizens in all walks of life. There is scarcely anyone in the Soviet Union today who did not have a relative, or a friend's relative, either perish or emerge half-dead from the holocaust perpetrated on his own people by the dictator whom one eminent Soviet historian recently described to me as "even worse than Hitler."

Now, finally, the peoples of the Soviet Union have won the freedom to work their way through their horrible collective memories, made worse because these experiences could not be publicly exorcised for decades even after the terror itself had largely ended with the tyrant's death in 1953. In this task, the Soviets can now even accept the help of outsiders who have been able to study the terror from afar with a good degree of accuracy. Thus it is eminently fitting that the work of Robert Conquest, the West's No. 1 expert on Stalin's purges, is now being published in Russian translation in Moscow.

English-born and educated, Robert Conquest was already a world-class authority in Sovietology when he came to this country to become curator of the famous Hoover Library of War and Revolution at Stanford University, one of the world's major repositories of documentation on 20th-Century Russian.

Availing himself of the new historical data from Soviet sources freed up by glasnost, Conquest has now updated and fleshed out his classic study of the purges. The extraordinary thing is how closely the new information fits with the conclusions he had to work out 20 years ago through scraps of evidence and logical conjecture. As Conquest points out in his preface, he did not have to change any substantive conclusions in the new edition of "The Great Terror." This is not unusual: By and large, the whole body of Western Sovietology, long vilified by the Soviets as "bourgeois falsification," is being validated by the archives and actually embraced by the Soviets as the best guide they have to the honest understanding of their own past.

"The Great Terror" is a meticulous chronological account of the purges that Stalin carried out in the Soviet Union between 1935 and 1939, after his brutal collectivization campaign of 1929-1932 and the man-made famine of 1932-33 that Conquest chronicled in "The Harvest of Sorrow" (Oxford, 1986).

As Conquest shows us, the terror was neither a momentary explosion nor an unceasing internal war. Instead, it came on as a wave of successive campaigns directed by Stalin at his supposed enemies, rising in intensity from the initial pretext, the assassination in December, 1934, of Sergei Kirov (the Leningrad Party chief and putative liberal alternative to Stalin), to the orgy of arrest and liquidation in 1937 and 1938.

The Kirov affair initiated the more familiar side of the purges, the incredible series of trials and confessions by Stalin's Communist adversaries through which Conquest takes us in the first half of "The Great Terror." Gregory Zinoviev, Lev Kamenev and the former Leningrad Communist leadership were tried and executed in the first of the famous Moscow Trials in 1936, where all the accused confessed to preposterous charges of plotting to kill Stalin and restore capitalism.

Similar trials of Trotsky's followers and of Nikolai Bukharin and his "Right Opposition" group followed in quick succession in 1937 and 1938, with similar public confessions by the accused, now charged with plotting with the Germans and Japanese to partition the Soviet Union, with the medical murder of writer Maxim Gorky and others, and even retrospectively with a plot on Lenin's life immediately after the Revolution.

The problem of the confessions has long defied explanation, though every kind of theory has been advanced. Conquest stresses the Old Bolsheviks' dedication to "the party" as the source of "all morality and all truth," combined with the NKVD's refined techniques of relentless interrogation and torture, plus the simple matter of threats to families and hopes for clemency. However, it is not widely realized that quite a few of the old oppositionists, especially Trotskyists, resisted all this and were simply displaced without the formality of a trial. What remains the greatest puzzle connected with the trials, as Conquest points out, was the widespread acceptance of their authenticity in the outside world, among all political persuasions, not just Communists.

Part Two of "The Great Terror" takes us methodically through the lesser-known but much more extensive and even more baffling side of the purges, the Yezhovshchina or "Yezhov business," as it is commonly called after Nikolai Yezhov, Stalin's commissar of the NKVD from 1936 to 1938. Largely conducted in secret, this campaign struck everywhere in Soviet society, not just against known enemies of Stalin but also against the entire generation of leadership who had worked with him up to that point.

Through the cycle of arrest, torture, confession and implication of ever-widening circles of people in imaginary plots, Stalin and Yezhov mowed down the officer corps of the Red Army, the cultural elite, the managers of the new industrial establishment leaders of the national minorities and, most surprising of all, the bureaucratic apparatus of the Communist Party itself, not to mention most of the foreign Communist who had sought refuge from fascism in the Soviet Union. The final installment of the terror was the liquidation of the purgers themselves, including Yezhov and most of the leadership of the NKVD.

My own study of the age composition of the postwar Soviet elite shows that, apart from a minuscule group of cronies, Stalin literally purged everybody who was somebody in the U.S.S.R. over the age of 35 (or for the military, over 40). Other than members of Stalin's Politburo and a few other lackeys, no one born before 1902 was left to staff the bureaucracy. This fact in turn accounts for the longevity in office of the Brezhnev generation who were promoted to fill the shoes of the purge victims; they did not fall by the wayside until the 1970s and 1980s, when the last the path was opened for the Gorbachev generation of reformers.

The exhaustion of Stalin's frantic search for "enemies of the people" did not mean the end of arbitrary arrest and imprisonment. The gulag and prison population of about 8 million at the end of 1938, by Conquest's estimate, as periodically replenished thereafter by deportations from the West territories seized in 1939-1940 (including the Baltic states); by Axis prisoners of war; then by Soviet POWs and forced laborers accused of treason after they were repatriated at the end of the war; by certain categories of people purged after the war (Jewish intellectuals, Communists who backed the wrong horse during the infighting among Stalin's lieutenants); by common criminals (including the perpetrators of "economic crimes" that would be legal business in most countries), and by all those (like Alexander Solzhenitsyn) who gave the authorities any reason to doubt their loyalty. Conquest gives the figures of 12 million still alive in the camps in 1952, of whom about 8 million were amnestied after Stalin's death.

Naturally, today's readers, like those of a generation ago, will want to know why and how all these crimes could possibly have happened. Explanation of this order is perhaps the less definitive side of Conquest's work.

Following the facts closely, he shows Stalin to be what George Kennan called "a man of incredible criminality effectively without limits." But this picture does not fully explain how Stalin could amass the power that enabled him to give free rein to his murderous instincts. Was he, as Solzhenitsyn—and even some Soviets nowadays—holds, simply the logical sequel to Lenin and the Communist Revolution, or was he a demonic usurper who crushed all that was good in the revolutionary experiment, as a majority of Soviet intellectuals still see to believe?

This is an old issue among Western observers, and it is not likely to be resolved soon. However, if one simply adds up the victims, Stalin killed more Communists than all of this century's right-wing dictators put together. If his claims of Marxist-Leninist ideological virtue did not still confuse us, we would recognize him as the greatest counterrevolutionary despot of all time.

Daniels, professor emeritus of Russian history at the University of Vermont, has just returned from the international conference on Russia in the 20th Century, sponsored by the Soviet Academy of Sciences. His most recent book is "Year of the Heroic Guerrilla" (Basic Books).

If you want to pay close attention to the events that have passed before us in this stunning way over the last 2 years, this book gives a great foundation. Read some of the good works on Lenin, and you will understand what a foundation of sand Mr. Gorbachev and Mr. Yeltsin have upon which to try and build a democracy. Just the opening paragraph of the Daniels review of Robert Conquest's "The Great Terror" says "'You think 20 million? I think more.' So answered a young Soviet intellectual a few weeks ago to a passing comment about the number of Joseph Stalin's victims." We have to keep in mind that Hitler killed 6 million European Jews in his ovens, and 6 million others including about one-half million gypsies, Catholic priests, and martyrs such as Maximillion Colby, and the great Protestant, Detrich Bonhoeffer. The slaughter was 12 million. Stalin killed

20 to 30 million of his own people, including almost 138 of his closest friends to secure the General Secretary's spot in the Communist Party so he could rule the country.

He signed one of the most infamous treaties ever signed in the history of the world. It gave him top billing because of his record of slaughter, the Stalin-Hitler Pact, otherwise known to scholars as the Molotov-von Ribbentrop Pact. When he signed this pact to chop Poland literally in two pieces, and give Stalin the right to conquer the free countries of Estonia, Latvia, and Lithuania, just freed, or relieved of their oppression as they put it, within the last few days. They always felt free in their hearts. But that bloody pact finally resulted in Operation Barbarossa which began 50 years ago last June 22, the date that Kiev fell to German Panzer divisions.

□ 1330

The slaughter that went on under Operation Barbarossa from June 22 through today was unparalleled. Never has any country lost so many in battle, either killed or captured. Most of the Soviet soldiers died in German concentration camps, as the Soviets responded in kind, slaughtering thousands of Germans, letting them freeze to death or working them to death in their gulag concentration camps in Siberia. This great slaughter cost the Soviet Union millions of their soldiers, and it rolled them all the way back literally to the gates of Leningrad, which was soon surrounded, and to the very gates of Moscow.

If Hitler, who had no military background other than as a corporal in the trenches in World War I, had not taken over command the next year and sent German units north to rescue other German units that were finally meeting stiff Soviet resistance, and if he had driven a spearhead all the way to Baku in Azerbaijan, he would have had the oil that he needed for his Panzers to wrap up the Soviet Union. In that event, the United States might not have come into the war, and England would have been left to stand alone and they would have starved if Hitler had produced more U-boats. A Hitler victory in World War II was a very close call.

Why was Hitler almost able to pull off a catastrophic victory? Stalin's signing, literally in blood, of the Stalin-Hitler pact.

So here are just one or two more lines to wet your appetite and hopefully make you call Oxford University Press and get this book, "The Great Terror." It says, "The terror of the 1930's, directed against peasants." a planned famine that killed 6 or 7 million of the kulak farmers in Ukrainia—and is it any wonder that the Ukraine wants to be free now—"intellectuals, Communists who had opposed Stalin."—and that is intraparty bickering—"and Stalin's own army and bureaucracy,"—Stalin killed every officer over 40 years of age, every intellectual over 35—"is a nightmarish memory that still transfixes Soviet citizens in all walks of life. There is scarcely anyone in the Soviet Union today who did not have a relative or a friend's relative, either perish or emerge half dead from the Holocaust perpetrated on his own people by the dictator whom one eminent Soviet historian recently described to me as 'even worse than Hitler'."

But you do not have to turn to an anonymous Soviet scholar. I heard Gorbachev personally on television in the Soviet Union, in August 1988, on a rerun of a program under perestroika by the group Remembrance. They actually had Gorbachev on film—and my Russian is not that good, so I had embassy people with me who were fluent translate it—saying that Stalin had killed far more people than Hitler.

Is it not amazing that Hollywood is still cranking out movies about Nazis? And properly so, to keep that horrible memory alive. But to this day they make fun of Sylvester Stallone for one of his Rambo films about the Soviet genocide of a million people in Afghanistan. Hollywood still thinks fondly of Warren Beatty's glorification of the killing Bolsheviks in the movie "Reds" where they stole the revolution from Alexander Kerensky and the real true democratic reformers. The Soviet Union went from serfdom to czarist oppression, under the czarist secret police, to Dzerzhinsky and the Cheka, under Lenin and Stalin, slaughtering millions of people.

They had that one little tiny window of democracy under Kerensky in the first few months in 1917, and now they are getting a second shot at it three-quarters of a century later. Our prayers are with them certainly, which brings me to a very important footnote in a special order I took out last week. I talked about an unknown columnist named Bill Endicott and how he puts in writing what Sam Donaldson says, in such an anti-intellectual way or Phil Donahue and his anti-intellectual way, that all anti-Communists, all right-wingers, all conservatives had no piece of the action of the collapse of communism.

Phil Donahue goes so far as to ignorantly state that it was all inevitable, that communism fell of its own weight, and that President Reagan and the rebuilding of our defenses after President Carter had no part of this.

But this guy Bill Endicott I mentioned last week said in his column that you have to feel sorry for conservatives; all of their efforts of their whole lives have been invalidated by the events in Eastern Europe and the Soviet Union over the last 2 years.

Of course, the second anniversary of the fall of the Berlin Wall is coming up on November 9. Is that not ignorant?

Well, guess what. At the California State Republican Convention, in Anaheim, who do I see? Former Los Angeles Times political reporter, and now columnist for the McClatchy news services, Bill Endicott. I expected him to defend intellectually this arrogant and ignorant line that we have all been invalidated, and I went up and I said, "Hello, Bill." He said, "I hear you made me famous on the House floor." I said, "Yeah. Probably. Nobody has ever heard of you outside of a few people in California." I said, "Tell me something," I said, "I do not mind personal little cheap shots at me." And he goes, "Well, that is all in the game." I said, "Sure, I am a big boy." I said, "But this line that every conservative is invalidated, does that include all of the veterans that volunteered in the Korean war to fight against communism, all the officer corps, young men and women, that have gone to the Air Force Academy, Annapolis, West Point, because they thought communism was an evil equally as bad as fascism and nazism and wanted to help crush this evil and liberate the Earth from it? Does that mean all the guys in Vietnam on that wall and the 8 women on that wall, 58,000 people, who died fighting communism—that is a plaque that ought to be at that wall someday—that they all wasted their time? Every CIA agent killed, almost 50 of them around the world, and in some dark alley in Bucharest, Budapest, Prague, East Berlin, that died fighting communism, they are all invalidated?" His eyes are starting to glaze over. I said, "You have not only insulted the Bill Buckleys of the world and the Pat Buchanans and the BOB DORNANS and the Rush Limbaughs, but you are talking about flesh-and-blood human beings including all the people who resisted in the gulag camps, every freedom fighter who died in Angola," and I could see his eyes glazing more, "Afghanistan, the Contras in Nicaragua. You get the point, Bill. Have you got any rationale for that?" "No, not really. It is just all in the game." And he walks away.

That ignorant approach is being taken across this country.

Remember one of our colleagues, BOB MCEWEN, has said that being ultraliberal means never having to say you are sorry or "I was wrong"; but to go one step further and try and take advantage of it.

There is now a brand new Presidential candidate this week who said that the American people have fought to conquer nazism, fascism, and communism, and I remember that same man standing in this well ridiculing an American who was tortured to death in Vietnam, Tucker Gugelman, who went back to help some people, and he said

he went back and he was trying to get a woman out of Saigon, trying to make the case that this ex-marine, ex-CIA guy who was tortured to death over months in a Saigon jail and died in June 1976, was the exception to whether or not we left anybody back in Vietnam.

Even as a naval officer, he should know that we left 389 men in Korea, left them to rot there for 38 years now. Did they not offer themselves, their whole lives, and a miserable dozens of years in Communist cells in North Korea to fight communism? You bet they did.

This same person also has gone down to help the Ortega brothers prevail in Nicaragua, tried to do everything he could, I guess, to make sure there was never this glorious election for Violeta Chamorro. He's somebody who is enamored with the left, likes to talk about nazism and fascism but never about communism. Now, the day he declares for the Presidency he starts talking about the great American people with their traditional family values, another Catholic for abortion, talking about conquering communism when he was one of those liberals across this country that slowed the process and took the pictures at Con Thien tiger cages with a Government camera, Government film, sold them against the wishes of the chairman, SONNY MONTGOMERY, on whose coattail he had joined as a staffer, and Life magazine paid him $15,000 in 1973, about $60,000 in now dollars, used that to run for Congress in 1974—a Watergate baby—comes to the House, and now he is running for the Presidency, and taking credit for taking down communism.

I only know a handful of liberals, and most of them are neo-conservatives like Irving Kristol and Norman Podhoretz, who wrote the book "We Were Right To Be in Vietnam." How do you like that title? Hated by his former liberal friends, this neo-conservative.

There are people who have a piece of this action, but very few liberals that I know of ever had an anti-Communist thought in their life, ever espoused anticommunism, ever written about it. It was an appelation that they thought was pejorative. They never wanted to be described as anti-Communist in their lives, and now they are looking at this glorious collapse of communism and saying, "What are you conservatives going to do now that communism is dead?" And I repeat my answer from last week: work on the liberal philosophy that has saturated this country with child pornography, abortion, crime, lousy schooling, no homework, kids that cannot compete around the world, not just with Japan and France, but some Third World countries that turn out kids with a better knowledge of geography and history than some kids coming out of our schools.

□ 1340

No, working on our liberal philosophy, trying to undo everything from the sixties to today is, believe me, a full-time job. So I am glad that I do not have to spend as much time worrying about the barbarians outside the gates. Now I can concentrate on the barbarians inside the gates.

And speaking of barbarism and holocausts, we have had 26 million abortions in this country since Roe versus Wade, a lying case based on a rape that never happened. Norma McCovey is running around this country with her radical feminist friends, the NARAL people and the NOW people still talking about how she should have been allowed to abort all three of her daughters, and guess what, her daughters are alive in their twenties.

You have to kind of read in the popular tabloid press, to find out that all three of her daughters would like to meet their mother, Norma McCovey; her alias was used as Roe in the Roe versus Wade case. They would like to meet their mother, but they would still like to hear her say that she is glad that she did not get to abort them before they met their birth mother. I guess she gave all three of them up for adoption, but she is still being applauded at Hollywood-left gatherings. She still gets interviewed about how the great Roe versus Wade case came out of her when she lied about rape.

I wonder if that would have been a Supreme Court decision of such great import in some other area if liberals would not be saying that it had to be invalidated on the fact that all the lawyers, and I assume they did not know—well, I think the key Texas woman lawyer did know that she was lying—told her, "Let's press ahead anyway." But in any other case that probably would be invalidated.

So let me shift now into abortion and a stunning column, written by Dr. George Flesh that ran in the Los Angeles Times Thursday, the very day I was making that special order last week touching on this. Here on the commentary page, Thursday, September 12, the Orange County edition of the Los Angeles Times—it might not have been in the regular Los Angeles Times edition. But I have found out through my sources that there was a tremendous fight in the editorial offices of the Los Angeles Times, Orange County edition, that this article was ever run by this doctor, which is titled, "Perspective on Human Life. Why I No Longer Do Abortions."

But I hear that some people were particularly offended by this picture, probably from Life Magazine—well, it is an Associated Press picture of a 4½-month, that is dead center in what the Supreme Court taught us to call the second trimester, this little perfect human being. They were offended by that picture.

Well, I guess if there is somebody who worked on a paper and paid for an abortion or had an abortion, they would be offended at seeing a human face with little hands perfectly formed, fingernails, nose, mouth, eyes closed, about to suck its thumb, probably the heart had been beating for months, the brain waves have been there since the 40th day, I guess they would find that offensive because it reminds them of what they killed inside of them.

So listen to Dr. Flesh's article, "Why I No Longer Do Abortions." Second headline, selected out of his article by the Los Angeles Times.

Tearing a second trimester fetus apart simply at a mother's request is depravity that should not be permitted.

This is by George Flesh.

Last Yom Kippur, I decided to stop doing abortions.

My first abortions, as an intern and resident, caused me no emotional distress. I felt that I was helping a patient solve a serious problem. The fetus was no more than unwanted tissue.

Still hear that on all the networks.

Although doing second-trimester abortions sometimes disturbed me, my qualms were easily overcome by ideas of women's rights and free choice. Among most people I respected, the practice of abortion might as well have been part of the Bill of Rights.

My discontent began after many hundreds of abortions.

I decided to do no more second-trimester abortions when I started my private practice.

An important footnote. The Operation Rescue going on in Wichita since mid-July, ridiculed by most of the dominant media liberal culture, I am speaking about the big 12, Time magazine, Newsweek, U.S. News, New York Times, Los Angeles Times, Washington Post, Wall Street Journal, ABC, NBC, CBS, CNN, PBS, you know, the big 12, that is mostly staffed by liberals. Most of them have not been to church in years. About 4 percent say they attend church with any kind of regularity at all. That means infrequently. They have been ridiculing the whole Operation Rescue in Wichita.

Guess what Dr. Tiller does, this former Navy pilot. He does second and third trimester abortions. Remember, he does third trimester abortions and he has crematoria that was pumping ashes out all over the houses of the neighborhood. These are both residential neighborhoods, one right on a corner, and this is what built up to Operation Rescue selecting this, and although I do not approve of civil disobedience in rare instances when it goes into charging cars or climbing fences, which has happened there against the orders of the leadership, if I were going to go to the south, and I did as a conservative Republican and helped register black voters in Alabama and Mis-

sissippi and marched with Martin Luther King, which I did on August 28, 1963, and as far as I know there are only two of us in this House who were there, JOHN LEWIS, who was a 29-year-old brave civil rights worker on the speaker's platform, me in the third row sitting next—as a total unknown in my Air Force captain's uniform, and I have the color pictures in my office if anybody finds it unbelievable, sitting with the late Robert Ryan, the late Sammy Davis, Paul Newman, Jim Garner, had a big delegation fly out from Hollywood and I stowed away and wore my uniform, which was my identity at the time. A little black lad comes up to me and says, "Are you marching or guarding?"

And I said, "I'm marching, son."

And he said, "Can I hold your hand?" And I held his hand all the way down the Mall; a proud day to listen to Martin Luther King talk about "I have a dream" for me.

So when I see this crematorium there in Wichita and realized that this is civil disobedience, just as Martin Luther King engaged in civil disobedience against immoral Supreme Court decisions, like the Dred Scott decision and everything else, keeping African-Americans "in their place" in this country, you had better believe that when I read that "Tiller, the killer," is his nickname, was doing second and third trimester abortions, I thought of that when I read that this doctor quit because it was second trimester. "Extracting a fetus, piece by piece, was bad for my sleep. But as a gynecologic consultant at a university health center, I saw many early abortion referrals, since unwanted pregnancy is, by far, the most common surgical problem in young women."

I do not think it is a problem, doctor. It is a natural condition. But you are not there all the way. I will take 90 percent of the way. "I felt great sympathy for these women, often abandoned by boyfriends"—that is the playboy philosophy, is it not, Heffie? "or afraid to tell them about their pregnancy. I took good care of these patients. Their gratitude gave me much satisfaction."

"But, insidiously,"—I would say spiritually—"the satisfaction diminished. Depression clouded my office day when I had an abortion scheduled. My pulse raced after giving the local anesthetic. Although I still felt sorry for the unmarried 20-year-old college junior, I felt increasing anger toward the married couples who requested abortions because a law firm partnership was imminent, or a house remodeling was incomplete, or even because summer travel tickets were paid for.

"Anxiety attacks, complete with nausea, palpitations and dizziness, began to strike me in some social situations. In public, I felt I was on trial, or perhaps should have been. I no longer was proud to be a physician. Arriving home from work to the gleeful embrace of my kids, I felt undeserving that God had blessed me with their smiling faces. The morning shaving ritual became an ordeal, as I stared at the sad face in the mirror and wondered how all those awards and diplomas had produced an angel of death.

"Why did I change?

"Early, in my practice, a married couple came to me and requested an abortion. Because the patient's cervix was rigid, I was unable to dilate it to perform the procedure. I asked her to return in a week, when the cervix would be softer." A natural process as the pregnancy goes on. "The couple returned and told me that they had changed their minds and wanted to keep the baby."

It is always a baby when you have not made up your mind, or certainly when you want to have it. You turn it into something inhuman, a product of conception, POC or unwanted tissue, as he said he trained himself when he was an intern in residency. "I delivered the baby 7 months later."

"Years later, I played with little Jeffrey in the pool at the tennis club where his parents and I were members. He was happy and beautiful. I was horrified to think that only a technical obstacle" a week, that rigid cervix—"had prevented me, from terminating Jeffrey's potential life."

□ 1350

Scrap the word "potential," Dr. Flesh, you are coming along, terminating his life. Brain waves and the heart were there, Dr. Flesh.

The connection between a 6-week-old human embryo and a laughing child stopped being an abstraction for me. While hugging my sons each morning, I started to think of the vacuum aspirator that I would use 2 hours later. This was an emotional tension I could not tolerate.

By the way, you heard it here, that Dr. Tiller will be leaving the abortion business soon. He does not want to give satisfaction to the Operation Rescue people who have been picketing him since July. So he will wait the decent period of a few months, and during that period he will indecently slaughter a whole bunch more babies in their second and third trimester, and then he will go back to his real wealthy medical calling, plastic surgery, rhinoplasty.

Dr. Flesh continues: "Nor could I live with the conflict between Jewish law and my medical practice." By the way, when I said I was going to read this almost in its totality to my wife, she said, "Well, maybe you ought to get a Jewish Member to read it. Maybe somebody will think it's a little bit rough for the Irish-Catholic Dornan to read it." Well, a fallen-away Irish-Catholic, nonpracticing or lapsed Catholic, Irish-Catholic, is the one who runs the biggest third trimester abortion mill in California. And it is in a city named after St. Augustine's great mother, St. Monica. In Santa Monica, CA, it is an Irish-Catholic, ex-Catholic, self-excommunicated Catholic, who is running the abortion clinic there. So I will let somebody read that story, but I could not pass up Dr. Flesh's great testimony. He said:

With the conflict between Jewish law and my medical practice, Judaism has become the lens through which I see the world. The mitzvot—God's commandments—guided my behavior. But as a religious Jew, my desire to fulfill Torah was absurd as long as I performed elective abortions, a clear transgression.

My ritual observances from Shabbat kiddash to lulav and etrog on Sukkot, seemed hollow and hypocritical. I yearned to sing prayers passionately. I could not draw closer to God. Wrapping myself in tallit and tefillin meant nothing.

Those are spring ceremonies symbolizing wheat and other gifts from God.

The contradiction was too great. My spiritual aspirations were shattering. My intellectual integrity was disintegrating. I had to stop doing abortions.

Perhaps you might expect to hear me speaking at the next antiabortion rally. You will not.

Now, that is what Dr. Nathanson said, Dr. Nathanson who had performed 60,000 abortions and helped form NARAL, the National Abortion Rights League, the one that runs all the Statue of Liberty commercials, and was at their first meeting, saying, "Our focus must be specifically anti-Catholic," that is the next part of my special order.

Dr. Bernie Nathanson was in on that when he first stopped doing abortions, and his was a scientific revulsion, not a religious revulsion. He said he would never speak at rallies. Now he is one of the best speakers in the country. So Dr. George Flesh, you may say in this Los Angeles Times commentary that you are not going to be speaking at rallies, but I feel too much spirituality in your article. I will see you at one of the meetings soon.

"There are some abortions I would do even now—pregnancies that threaten the mother's life, pregnancies resulting from rape or incest, pregnancies involving extreme birth defects." Should we have gotten Helen Keller, and not let her live? If somebody has any infirmities, for example, if the genetic research is correct that in the hypothalmus you can find the absence of cells that tells somebody is homosexual, can you imagine the families across this country who will abort a child because they have two or three daughters and they want a first-baseman son? Can you imagine the doctor walking in and saying, "We have done the amniocentesis test and," for a black family, "no sickle-cell anemia," and for a Jewish family, "don't worry abut tay-sachs." "We still haven't nailed down what it is, those genes that form alcoholism. But this is going

to be a healthy baby, no spina bifida, no birth defects, looking strong, good heartbeat. Do you want to see them on the sonogram?" They all go in and look at the sonogram.

Now, there is a little problem we have here: The hypothalmus, when you see an absence of cells, we know the gender." Do you want to know? OK. "Well, it is going to be a son. Your first son is going to be a homosexual. Is that OK?" How does that go down with the average American family? Homosexual couples do not have children. They try to adopt them. So they are not going to be confronted with that problem.

What about the homosexuals across this country? How many parents? What do homosexuals and lesbians think is going to happen when parents say, "Well, your daughter is going to be healthy and all, but this first daughter will be a lesbian. But then you can always have more children. And maybe your second daughter can be the prom queen. Don't plan on this first one. Maybe your second son, you know, can be President of the United States or first baseman on the New York Yankees or play linebacker for the Redskins, but this first one will more than likely be in some less aggressive pursuit. The first son is going to be a homosexual." How many parents without God in their life would look at one another and say, "Doc, that sounds good. Maybe down the line we will accept a homosexual or a lesbian, but this first one—I think we would like to abort this one and try again later so that we don't have a homosexual, because we do plan on having grandkids."

Now, that is inherent with some of these strange medical experiments that are coming out. Even the homosexual doctor who created this headline story on the Ted Koppel "Nightline" show said, "This is very rough research. Don't jump to conclusions here. Everybody I tested who died of AIDS was a homosexual. More than two-thirds of the handful of heterosexuals, I think 14, 15 corpses that I did work on were heterosexuals that died of AIDS." So maybe the AIDS itself causes the absence of certain cells in the hypothalmus.

So the debate rages on. The doctor, in spite of his warnings, did get on the Ted Koppel "Nightline" show, making the case that homosexuality is genetic, that homosexuals and lesbians cannot be responsible for their actions.

Now, back to Dr. Flesh's story. "I will not be speaking at the next rally." He gave the reasons, he would still perform abortions. This is why he will not appear at any demonstrations or come and work the Rayburn Room to check the Congressmen to change their vote:

He says, "Second, I am unable to impose my personal beliefs on a woman who feels her pregnancy will ruin her life."

I bet that he would impose his beliefs if the baby was 2 minutes old or 2 weeks old and was a spina bifida baby with a badly deformed spine, needing thousands of dollars of surgery, the kind that Dr. Koop, our former Surgeon General, was so brilliant at performing; I will bet that Dr. Flesh would say, "You cannot kill that baby. It is out of the womb now. You should have thought about this 10 minutes ago and should have had it killed while in its ninth month of development in the womb. You can't kill it now. It is a human being, and according to the Supreme Court, is a full person now."

Infanticide is wrong—even though it is accepted throughout countries like China. Slavery is also wrong. As a brilliant young lawyer from Illinois, Abraham Lincoln's initial stand when he was campaigning in 1860, and when he got elected President said, "I am against slavery, but I cannot impose my will on other people." You will come along, Dr. Flesh.

He goes on, "My conscience would not tolerate the terrible complications that illegal abortions would inevitably produce."

That is why the networks love to zoom in on the chart with the hangers on them when they talk about abortion becoming illegal. Although it is OK to kill 26 million people, nobody, not even Centers for Disease Control, or the National Institutes of Health, can give us the exact figures of how many women died in 1969, 1970, 1971, 1972, leading up to the fraudulent, based on a lie, Roe versus Wade decision.

"Finally, I do not believe that all immoral actions must be illegal. Perhaps in my ideal society of chastity until marriage"—boy is that politically incorrect—"chastity until marriage, poverty eradicated, universal respect for human life, abortion would be illegal. Alas, the Messiah (whether it be for a first or second time) has not arrived." He is including Christians in that stated line. I like that.

"But I am revolted when I see how casually some couples choose an abortion—for the convenience of having a baby in June instead of in February." If I said that on this floor, the liberal left on the majority side would try to laugh me out of the well. They would, in a rage, stand up. Some of the women would rush to the platform here along with their great champion, LES AUCOIN, and their new champion over here, RON MACHTLEY, and say, "Nobody ever has an abortion because the baby is due in cold February instead of nice June." But here is an abortionist doctor who is obviously speaking from experience. I wish I could get a comment on him about gender selection. He goes on to say, "I do not believe that a civilized society should encourage this," frivolous abortion on demand throughout all 9 months." That is all we have had for 18 years, 19 years since Roe versus Wade.

□ 1400

"The reality of 'choice' has profound moral and spiritual costs. The idea of 'moral and spiritual costs' may seem irrelevant or chimerical to some." Like a little myth, "it is as hard as rock to me. As for elective second-trimester abortions, I believe that they should be illegal." I have yet to see one "pro-choice" Senator or one pro-choice Congressman or Congresswoman in this Chamber ever come to this lectern, and suggest that it should be illegal for second trimesters. Of course, the doctor is not even discussing in his whole brilliant article third trimester abortions that Dr. Tiller, ex-soon-to-be-again plastic surgeon, has been conducting in Wichita, KS.

Dr. Flesh says:

I understand that for some women this would be a terrible burden. Some would bear deeply unwanted pregnancies; others would go out and have illegal abortions; those who could afford it would go out of the country.

"But I believe that tearing"—let me start this one over. I want to slow down here.

Dr. George Flesh:

But I believe that tearing a developed fetus apart, limb by limb, simply at the mother's request is an act of depravity that society should not permit. We cannot afford such a devaluation of human life, nor the densitization of medical personnel that it requires. This is not based on what the fetus might feel (pain) but on what we should feel in watching an exquisite, partly formed human being being dismembered.

I wish everybody could witness a second trimester abortion before developing an opinion about it.

Since I stopped doing abortions, my life has blossomed; I love my practice. Years of struggle and guilt have ended. A certain calm and inner peace have returned. I feel closer to God. Our third child, Hanna, was born, bringing my wife and me immeasurable joy. She is named after my two grandmothers, one who survived Auschwitz and the other who was murdered there.

Yom Kippur is approaching again. Last week I went to a sofer to check my tefillin. I had to buy new ones. My old tefillin were not kosher.

George Flesh, a doctor, practices obstetrics and gynecology in Los Angeles. Dr. Flesh, who is enjoying his life immensely, I hope your article becomes a seminal piece, a scholarly piece, that casts its powerful spiritual shadow over every debate that we ever have in this Chamber again.

Today, we passed again the D.C. bill. It now goes back to the U.S. Senate to discuss the financial issue of trying to add $50 million—which we do not have—to a hospital. They would have to carve it out of other issues. In that D.C. bill, not a single vote against our House language going back to the Senate conferees, is my BOB DORNAN language, now law in its third year. We passed it as law 2 years ago, but it is there this year and last year because President Bush vetoed this D.C. appropriations bill two times last year and

one time this year. We are learning here that the President means it when he vetoes something, and that no abortion will take place in the District of Columbia except with private funds. None of the District local taxes or Federal money, will go to taking human life. The drop in abortions in this city, thanks to my language, has now brought live births into parity with aborted children. For all the 15 years since our bicentennial, this was the first major city in the United States of America where more babies were aborted than were allowed to be born. Our beautiful Federal Capital, one of the most beautiful cities in the world is finally reaching the point of reversing that ugly statistic.

Detroit and New York, and maybe parts of Los Angeles County and other places, kill more than there are live births. However, Planned Parenthood and the abortion cult in this country are going crazy in that unmarried teenage girls—inexplicably is the way they describe it in the dominant liberal press—are deciding to have their children rather than kill them. Maybe it is a photograph like the one that halved the editorial board. Maybe the majority said, "Don't publish this picture of a 4½-month-old baby in its mother's womb, this perfect little creature." I want to get at this, this exquisite formed human being and, in some cases, about to be dismembered.

Now this brings me to part three of my special order tonight: The great terror in the Soviet Union that goes on in Cuba and Vietnam, the great terror of abortion; part three, attacks on my Roman Catholic faith.

Mr. Speaker, I know we share the same faith, so I want to have a straight call on the time. How much time do I have left?

The SPEAKER pro tempore. Fifteen minutes.

Mr. DORNAN of California. Not the 20 I had hoped for, but that will do it.

Here is an article again from one of America's three major newspapers, the Los Angeles Times, way ahead of the Washington Post in foreign correspondents around the world I might add. This is an article by Amy Kuebel Beck, K-u-e-b-e-l B-e-c-k, Time's staff writer, and she does a pretty good balanced piece. I am going to hope to unbalance half of the balance that says there is not anti-Catholicism raging in America. It says, "Under Fire," headline, "Is Anti-Catholic Sentiment Increasing? Some Say Yes, and They're Not Going to Take It Anymore."

Well, thank you, because that is what I said last week, not knowing about this piece which was published the day before. I said, "I'm not going to take it anymore."

Here is her opening: Los Angeles public television station KCET; that means Community Educational Television, airs "Stop the Church," a controversial documentary about the Catholic Church and AIDS in which members of the activist group ACT-UP disrupt communion services at New York's St. Patrick's Cathedral and sprawl on the floor in a die-in.

OK, Amy, here is my first footnote: During my last town hall meeting over 2 years ago, homosexual activists, they had not formed ACT-UP yet, came and sprawled on the floor in this mock die-in and disrupted my town hall meeting. Almost causing some fist fights, I have never had a town hall meeting ever since, and I am going to have to figure out how to correct that. ACT-UP did the same thing to the gentleman from California [Mr. DANNEMEYER] just north of me in Fullerton, CA. I do not think he has had a town hall meeting since either. Since when can guerrilla theater homosexuals dying or not dying of AIDS come and break up meetings in this particular town hall meeting of mine on a particular focus before we went to general questions and answers, the good of the order? It was on narcotics. I had Federal narcotics people there. It was a good 45-minute opening. I went to the question and answer period on teenagers and drugs, and I get this guerrilla theater.

Now in this case, Amy, if I may talk about a little omission here, they did not disrupt communion services. They took the host of Jesus—and believing Catholics believe that is Jesus—out of their mouths or out of their hands, and they threw it on the floor. In this film called Stop the Church is one activist throwing the communion host on the floor and grinding it with his heel.

Now can you imagine going into a synagogue, talking some of these beautiful symbols of Judaism that Dr. Flesh was talking about, and taking them out on the front of the synagogue steps and grinding them into the ground? Suppose the Torah was one that had survived a burned or destroyed synagogue in Germany, and there are some Torahs that have survived. The Germans stacked them up in warehouses if they could not burn them and destroy them, and some were miraculously spared, and they have worked their way to be the prime Torah, and first five books, that are in synagogues around this country.

□ 1410

Imagine taking part or all of a Torah out in the front and stepping on it and grinding it with their heel. And all Jewish-Americans think that that is sacred scripture. They do not believe it to be the body and blood of the Messiah or Moses. That is how offensive that is to a believing Catholic. And yet most of the dominant media culture stiffed this story. I only saw it on CNN, and as I said last week, I was baptized at St. Patrick's Cathedral. That was my parish church for the first 10 years of my life. My mother was married there on June 27, 1929, with the great radio comedian, Fred Allen, as the best man. The Tin Man from the Wizard of Oz, my uncle, Jack, married to my mother's sister, was there. Jack Haley was the best man.

My dad was described as a World War I hero. I found the clippings the other night. There was my mother, and then Mrs. Flo Allen, still alive, gloriously, was there from the Zeigfeld Follies at that time. Other Zeigfeld follies girls were there as bridesmaids. This was a beautiful wedding. As I look at the pictures, they are stunning. It is like some movie.

That was St. Patrick's Cathedral, a cathedral built with the dimes and nickels and pennies of Irish peasants who fled the great Famine, and Italian-Americans, Polish-Americans, Americans fleeing from all the oppression and insanity of Europe, built this great cathedral with their pennies way out in the farmland in the middle of the island of Manhattan, and the city grew out to it. Now it is called Midtown.

Now, in this beautiful cathedral, we have these people, many of them, with a disease that, through their own behavior, they have inflicted on themselves. The Catholic church has as many or more AIDS hospices than any other group in this country, including all these so-called gay—very sadly, but ungay—groups across this country. Cardinal O'Connor prays and speaks out to help Mother Theresa bring her Little Sisters of the Poor to New York to run these AIDS hospices. That is where part of my pay raise went a couple of years ago. I say, "Don't tell me, Cardinal O'Connor, that my heart doesn't go out."

I have had nine acquaintances and friends die of AIDS—nine of them, starting with my good friend, Terry Dolan, in this city, all the way to people who have worked for my aunt, and one of them is dying of AIDS right now—no, he has already died. God bless Jameson, rest in peace. I have worked in a motion picture with Rock Hudson. Liberace went to my church, Good Shepherd, in Beverly Hills, and he stopped my little blonds and redheads on the lawn once and said, "These are the most beautiful children I have ever seen." And he was then winning a big suit that he was not homosexual, and those millions of dollars shut down a newspaper, and it turned out his whole legal case was built on falsehood about the torment within.

I count those as just people I have met, not the nine I have known personally and seen them, some of them suffering in the last weeks.

This is a terrible thing, this AIDS scourge. All our figures are 10 to 20 percent low. There are 100,000 who are just homosexuals who have already died in this country, and there are another 25,000 hemophiliacs infected from bad blood supplies who have died, including

a lot of other thousands in that category, several thousand totally innocent children like Kevin White. And what did Phil Donahue and the whole homosexual activist movement try to do to little Kevin White? They tried to claim him because he was an innocent, and then act like everybody else is innocent, like we are not accountable for our own behavior when we are having sex, all sorts of dangerous sex, and that means oral and anal sex with infected people and with strangers, 10, 20, 30, 40, 50 times a month, 100, 200, 300 times a year. I have seen figures by the Los Angeles County Health Department up to 1,700 sexual—I started to say "combats"—sexual contacts by one person now long since dead of AIDS.

Now, we talk of people desecrating the cathedral. Wow. If this were a Jewish synagogue or—well, I cannot think of any other exception—no, we are kinder to Buddhists. There were seven Buddhists who were murdered by cheap thug burglars out in a Buddhist temple in Arizona, and it was properly described in outraged terms all across this country because somebody thought it was an antireligious act, and the Buddhists across this country and in Southeast Asia can sleep peacefully now, I heard one Buddhist monk say, because they solved the crime. It was cheap, petty thievery, and they did not get the gold they thought was in the temple, so they tied these people up and executed them in the back of the head.

But there was more press for the desecration on religious grounds of a tiny, little sect in this country than there is for 55 million Catholics across this country.

So the writer continues: "Virginia's Douglas Wilder asks, 'How much allegiance is there to the Pope?'" referring to Supreme Court nominee Clarence Thomas, because Thomas went to Catholic grade schools, and he is a practicing Episcopalian across the river in Virginia. But he publicly thanked the nuns who taught him and fought prejudice in the South. He was standing next to the President when he did that on the day of his announced pending appointment.

National Public Radio and ABC correspondent Cokie Roberts—now, she is the daughter of Lindy Boggs, my colleague and dear friend whom I mentioned a while ago while I was mentioning that today is the birthday of my little daughter Erin—or grandaughter. I will take her as a daughter in a heartbeat. Cokie Roberts on "This Week" with David Brinkley—now, they did not date this, but it was over a month ago; I saw this show—said that she is a Catholic and is flooded with vitriolic—that is her word—hate mail blasting her religion.

"Is the United States experiencing an anti-Catholic sentiment? Some Catholics would say yes. If you say," Cokie goes on, "that anti-Catholicism is alive and well, most people will look at you as if you are crazy. But it is true," she says.

On Thursday, a newly formed group—that is a week ago Thursday; I was there—whose spokesmen included William Bennett, former Secretary of Education and U.S. drug czar, and Mary Ellen Bork, the wife of Justice Robert Bork, who should be sitting on the Supreme Court but for a bigoted campaign against him—he is not a Catholic; his wife is. This is the Catholic Campaign for America, which was announced at a Washington, DC, press conference. It was Mr. Bennett actually. He said;

> We have had enough of Catholic bashing. We will attempt to speak in a level, even-tempered voice, nevertheless a strong one, to say that as Catholics we don't like to be bashed, ridiculed, made fun of. Sooner or later Catholics were bound to say, look, we are tired of being the easy target.

Bennett and others are quick to point to this. They point to comments about Thomas and Father Gregorio—this is a Paisan name—Corio. Father Gregorio Corio, a spokesman for the Los Angeles Archdiocese, said that

> * * * suggesting that American Catholics have a divided loyalty is as offensive as saying American Jews are torn between the United States and Israel, which is always looked upon as an anti-Semetic canard.

Try and say that in this well, and you will be branded an anti-Semite, and properly so. But we are getting very close to bashing Catholicism in this well when Members come forward and say, "We Catholics shouldn't force our religious beliefs on the abortion issue on others." There is a divided loyalty thing. When are we Catholics going to stand up on our hind legs, like our Jewish brothers and sisters, through their Antidefamation League, or even individually, and demand that this bigotry is going to stop, that we are going to shove it virtually back in their mouths?

These are questions about Clarence Thomas' religious beliefs. And, by the way, Doug Wilder, it is such a tragedy that he was the first American of African descent to become a Governor, because he won the Governor's race on one commercial showing the Statue of Liberty pregnant. I did not even know she dated. Pardon me for being flippant, but it was a stupid commercial. It was powerful, though. You pan all these beautiful women in prison, and then comes the Statue of Liberty itself and the cell door clangs, and then you see the American flag blowing.

In Virginia, for you million and a half people listening tonight, maybe 2 million across this country, all the way up in Alaska, Hawaii, the Virgin Islands, Puerto Rico, on C-SPAN—it is amazing, as you well know, Mr. Speaker—be advised that he won on that one abortion commercial. He was the first Governor elected on one issue, a killing issue, and he is the first African-American Governor. It hurt me that night. I wanted to revel in our first one. I thought our first black American Governor would be from California.

He is now up in the very Catholic State of New Hampshire trying to answer that stupid remark he made about Catholics. He took it back, but rather weakly.

Getting back to Clarence Thomas, John W. Whitehead, president of the Rutherford Institute, argues:

> Religious beliefs, questions about religious beliefs, amount to a religious test for public office. If I were a Catholic, I would be pretty upset myself. Other observers within the church and without say at the very least that prejudice against the Nation's 55 million Catholics persists, and that bigotry in any form deserves attack.

Arthur Teitelbaum, southern area director of the Antidefamation League of B'nai B'rith in Miami and supervisor of chapters in California, sees anti-Catholicism in society ranging from—and these are Arthur Teitelbaum's words—"gutter level extremist groups to casual cocktail party conversations which are pretty innocuous in their intent but poisonous in effect." That is where I put Act Up.

Mr. Teitelbaum goes on, "It is part of the mosaic. Bigotry today exists in America." He adds, "Any form is insidious and infectuous." That is a heck of a word, "infectuous."

□ 1420

Mr. Teitelbaum continues, when anti-Catholicism raises its ugly head, it is the responsibility of every Catholic and non-Catholic alike, particularly Jewish Americans, who suffer so much prejudice, and still do in this country, and black Americans, who, I might add, by the thousands and tens of thousands are Catholic Americans, that is a double hit when they hear that, he said non-Catholics alike, must repudiate it and attempt to quarantine it.

Oh, don't use that word, Mr. Teitelbaum. Somebody will say that is censorship.

Then I am going to skip over Andrew Greeley, the Catholic priest who writes all these nonsex sex novels, but he wrote a book called "An Ugly Little Secret, Anti-Catholicism in North America."

Cokie Roberts says, it is this snobbish, we know better than you, intellectualism. The idea persists that anybody that is a practicing Catholic has got to be a little stupid or a little naive, particularly on abortion and sexual orientation. A study released in April by the Center for Media and Public Affairs, I put it in the RECORD in its totality last week, I am waiting to hear how much it costs, commissioned by the Catholic League for Religious and Civil Rights, I was a charter member, the Knights of Columbus, I am still a member, but I may not pay my dues any more until they start kicking

out Catholics who are for abortion. Don't leave it up to the Florios to resign themselves in anger.

Mr. Speaker, I will submit the rest of this excellent article. I will come back to it next week, because some of her balance here is I believe challengeable. I feel bad because I only read the good stuff in the beginning, made the case, and the stuff where she balances it does not make the case. But I will be back.

Let me put in a terrible review by Howard Rosenberg, who usually knows better, writing about this vicious film, "Stop the Church," and another article on Archbishop, now new Cardinal Mahony, calling for a boycott, and that is all American, that is not censorship, of KCET in Los Angeles.

[From the Los Angeles Times, Sept. 9, 1991]

UNDER FIRE?—IS ANTI-CATHOLIC SENTIMENT INCREASING? SOME SAY YES AND DECLARE THEY'RE NOT GOING TO TAKE IT ANYMORE

(By Amy Kuebel Beck)

Los Angles public television station KCET airs "Stop the Church," a controversial documentary about the Catholic church and AIDS, in which members of the activist group ACT UP disrupt Communion services at New York's St. Patrick's Cathedral and sprawl on the floor in a "die in."

Virginia Gov. L. Douglas Wilder asks, "How much allegiance is there to the Pope?" in reference to Supreme Court nominee Clarence Thomas, who went to Catholic grade schools and who publicly thanked the nuns who taught him.

National Public Radio and ABC-TV correspondent Cokie Roberts mentions on "This Week With David Brinkley" that she is a Catholic and is flooded with "vitriolic" hate mail blasting her religion.

Is the United States experiencing a rise in anti-Catholic sentiment? Some Catholics would say yes. "If you say: 'Anti-Catholicism is alive and well' most people will look at you as if you're crazy," said Roberts, "but it's true."

On Thursday, a newly formed group whose spokesmen include William Bennett, former Secretary of Education and U.S. drug czar, took the offensive. The Catholic Campaign for America announced at a Washington, D.C., press conference that it has "had enough of Catholic-bashing."

"We will attempt to speak in a level, even-tempered voice—nevertheless, a strong one—to say, that as Catholics we don't like to be bashed, ridiculed, made fun of," said Bennett. "Sooner or later, Catholics were bound to say: 'Look, we're tired of being the easy target.'" Bennett and others are quick to point to comments about Thomas, whose confirmation hearings are scheduled to start Tuesday.

Father Gregory Coiro, a spokesman for the Los Angeles archdiocese, says that suggesting that American Catholics have divided loyalty is as offensive as saying American Jews are torn between the United States and Israel, which "is always looked upon as an anti-Semitic canard."

Questions about Clarence Thomas' religious beliefs amount to a religious test for public office, argues John W. Whitehead, president of the Rutherford Institute, a religious liberties group in Charlottesville, Va. "If I were Catholic, I'd be pretty upset right now," he said.

Other observers within the church—and without—say at the very least that prejudice against the nation's 55 million Catholics persists and that bigotry in any form deserves attack.

Arthur Teitelbaum, Southern area director of the Anti-Defamation League of B'nai B'rith in Miami and supervisor of chapters in California, sees anti-Catholicism in sources ranging from "gutter-level extremist groups" to "casual cocktail party conversation which is often innocuous in its intent but is poisonous in its effect.

"It is part of the mosaic of bigotry that exists in America," Teitelbaum said, adding that any form is insidious and infectious. "When anti-Catholicism raises its ugly head, it is the responsibility of every Catholic and non-Catholic alike to repudiate it and attempt to quarantine it."

Sociologist, author and Catholic priest Andrew Greeley, who wrote "An Ugly Little Secret: Anti-Catholicism in North America," said anti-Catholicism is a "consistent and durable component of American life."

Greeley and others say anti-Catholic ideas emanate from both fundamentalist Christian and intellectual circles.

"It's this snobbish, 'We know better' intellectualism," said Roberts. The idea persists "that anybody who is a practicing Catholic has got to be a little bit stupid or at least naive."

A study released in April by the Center for Media and Public Affairs, commissioned by the Catholic League for Religious and Civil Rights and the Knights of Columbus, concluded that "long-term trends in [news] coverage have been less than favorable to the Church" and that "the language used to describe the Church increasingly carries connotations of conservatism, oppressiveness and irrelevance."

Los Angeles experienced its biggest wave of anti-Catholic hate crimes—as defined by the Los Angeles County Commission on Human Relations—from October 1989, to July, 1990. Nine churches were vandalized a total of 15 times, with graffiti, smashed and decapitated statues and painted swastikas. Some of the incidents were related to the church's stand on homosexuality and abortion. On Aug. 29, parishioners at St. Bruno's Catholic Church in Whittier arrived at early Mass to find Satanic graffiti spray-painted on statues and on the church—and an unexploded pipe bomb.

Fringe groups continue to publish hate literature, available in some L.A. religious bookstores. In May, anti-Catholic comic books were found on car windshields in Oceanside. Comics by Jack Chick Publications of Chino, Calif., say for example that the Pope is Anti-Christ. The Tony and Susan Alamo Foundation, founded in Southern California, has been a well-known distributor of anti-Catholic literature across the country. One Alamo pamphlet claimed that Pope John Paul II, as a young Polish salesman, sold cyanide to the Nazis for use in Auschwitz. Tony Alamo was recently arrested in Florida on charges of child abuse and tax evasion.

"What we're seeing is hatred. Not just hatred, but we're seeing that hatred tolerated," said Michael Schwartz, author of "The Persistent Prejudice: Anti—Catholicism in America."

Schwartz said church officials have told him it is unofficial policy to downplay anti-Catholic vandalism or sentiment, hoping it will wither on its own. That attitude is "extremely mistaken," he said, adding that American Catholics should follow the example of American Jews calling attention to religious prejudice and making it unacceptable.

Fr. Coiro of the L.A. archdiocese said he has never heard of such a policy, but church officials do choose to ignore some incidents rather than draw attention to them.

"Part of the blame I place upon ourselves," said Coiro. "We have not been vociferous enough in demanding equal treatment from our neighbors."

Schwartz points his finger at some "upwardly mobile" Catholic politicians and academics as well.

"To certify themselves as independent thinkers, they have to lead the charge against the church," said Schwartz, now a resident fellow in social policy at the Free Congress Foundation, a conservative public policy think tank in Washington. "When they're leading the attack on the church, it's open season for anyone else."

One lay organization founded in 1973 has tried to be vociferous. The 18,000-member Catholic League for Religious and Civil Rights based in Philadelphia, believes anti-Catholic incidents are on the rise and fights them by issuing statements, writing columns, aiding lawsuits and publishing newsletters, according to director for government affairs Patrick Riley.

Anti-Catholic sentiment in the United States can be traced back to this country's Protestant foundations. It continued through waves of Catholic immigrants in the 19th Century and, many observers say, with the current wave of Latino and Asian immigrants.

Bias was fanned by such nativist groups as the Know Nothings in the 1850s and the American Protective Assn. in the 1880s. Churches were burned, convents attacked. The 1936 book "Awful Disclosures of Maria Monk of the Hotel Dieu Nunnery of Montreal," a fraud, alleged that there were tunnels between monasteries and convents and that the resulting babies were strangled—and the book sold hundreds of thousands of copies. The Ku Klux Klan was actively anti-Catholic in the 1920s; such feeling helped defeat presidential candidate Al Smith in 1928.

Many Americans believed the election of John F. Kennedy as president in 1960 was an indication that anti-Catholic feeling in the United States was dying—or dead. But for others, recent events have disproved that notion.

Catholic teaching on issues such as abortion and homosexuality is a lightning rod for protest. But the distinction between criticizing a church position and unabashed Catholic-bashing can be a judgment call.

On Thursday, Los Angeles Cardinal Roger M. Mahony said "Stop the Church" was the most "blatantly anti-Catholic" film he had ever seen and urged Southern Californians not to send donations to support KCET. Gay activists and free-speech proponents say Mahony is guilty of squelching free expression.

And Frances Kissling, president of Catholics for a Free Choice in Washington, a group that supports legal abortion, said: "Whenever [the bishops] are criticized for their position on abortion, they revert to *ad hominem* attacks—This is anti-Catholicism, this is Catholic-bashing—when this is part of the normal give-and-take of political life.

"Sometimes bigotry is in the eye of the beholder, I have to admit that," said Ted Mayer, executive director of the Southern California chapter of the Catholic League, who is an Episcopalian. He recalled sharing a stack of purportedly anti-Catholic cartoons with a group of Catholics; some roared with anger, others with laughter.

Some Catholics caution against hypersensitivity. In the June issue of Common-

weal, an independent magazine edited by Catholic lay people, David R. Carlin Jr., a Democratic state senator and sociology professor in Rhode Island, wrote: "Let's not toss the charge of anti-Catholicism about too casually, thereby adding Catholics to the list of those who refuse to debate, who prefer to silence their critics by charging them with some psychological infirmity or moral depravity."

The solution may be more speech, not less. Said Coiro, "If someone wants to say something vehemently anti-Catholic, fine, let him say it. But I want everyone else to be able to say: 'That man, that woman, is a bigot.'"

[From the Los Angeles Times]

FREE SPEECH WATCH—AIR RIGHTS

The activist group ACT UP is not a mainstream, polite outfit. Its cause is the elimination of AIDS—a cause that many share. But its extremist methods many people, including many gays, do not share: It can be confrontational and aggressively offensive. The film "Stop the Church," which chronicles an ACT UP demonstration at St. Patrick's Cathedral in New York City, was scheduled for airing Friday night on KCET Channel 28, Cardinal Roger M. Mahony, outraged at the film's anti-Catholic tone, denounced it and the L.A. public television station for scheduling it.

The denunciation is certainly within Cardinal Mahony's role as leader of the Los Angeles Archdiocese, the nation's largest. Many viewers, Catholic and non-Catholic alike, would find the film amateurish and less than riveting; in term of its quality, one could question KCET's decision to air it.

But does KCET deserve to lose public financial support because it sometimes airs films that offend? We don't believe so. Public TV, which depends so heavily on private donations, cannot fulfill its proper function if it is held economic hostage whenever it airs a controversial program, which it has done before and will likely do again.

Certainly public TV's primary purpose is not to offend. But we agree with KCET management's assertion that one of the mandates of public TV must be "to explore significant issues of controversy and present a wide diversity of opinion on programming, including opinions which may not be generally popular and material which may not be to everyone's taste."

[From the Los Angeles Times]

MAHONY GETS MIXED FEEDBACK ON FEUD WITH KCET

(By Penelope McMillan)

When Cardinal Roger M. Mahony wandered out among his flock on Sunday, he drew mixed reviews for his recent run-in with public television station KCET over a film he called "anti-Catholic propaganda."

As Mahony made his first visit ever to a small Catholic chuch at the edge of Silver Lake, parishioner Donna DiMarco said: "I'm glad he said something about Catholic bashing. Most times we just take it and don't say anything."

Ed Harper, another parishioner at the church, St. Teresa of Avila, said: "I don't feel he has the right to tell us to boycott KCET. That bothers me very much."

Last week, Mahony condemned KCET for airing a short film about AIDS activists protesting against the Catholic Church. The Los Angeles archdiocese head also called on supporters to consider withdrawing financial support from the station.

Reaction to Mahony's stand, at St. Teresa's and at other parishes in the area, was divided, with some wholeheartedly agreeing with the cardinal's stand and others quite critical.

Most interviewed said they had not seen the documentary, which showed an AIDS activist group disrupting a Mass in New York City, and were only vaguely aware of Mahony's appeal against KCET.

Some at St. Teresa's said they were worried that AIDS activists would show up at the church, and were relieved when Mahnony said the Mass and left, alone, driving his own car, without incident.

Among the more than 400 who stood in line after Mass to shake Mahony's hand or kiss his ring was Jane Nachazel, who described herself as a devout Catholic and church supporter.

But she approved of KCET showing the film because "it doesn't help anything to hide suff in the shadows." She also was concerned that Mahony had overreacted, adding: "It seems to me he humped to fifth gear without going from one through four."

As Nachazel moved through the line to reach the cardinal, the Los Angeles County employee said she "believed in discussion," and asked Mahony why he did not join a KCET panel after "Stop the Church" aired Friday.

"I wouldn't dignify it," Mahony replied.

Others said the cardinal had given free publicity to a film that was "stupid" or "not well done." "He exacerbated the situation," Jackie Johnson, a legal secretary, said outside St. Basil's Church on Wilshire Boulevard.

Mahony supporters criticized those who said the cardinal's efforts were violations of free speech. "We have free speech but you're not allowed to yell 'fire' in a crowded ballroon," said Stacy Colicchio, an engineer and regular parishioner at St. Teresa's. He thought the film was "vicious," and said he would drop his KCET membership.

Harold Warren, outside St. Didacus Church in Sylmar, said he applauded Mahony's willingness to stand up to AIDS activists. "They're a very forceful and vocal group now." Mahony's call to withdraw support from the station did not affect him, he added, because "I don't support KCET anyway."

[From the Los Angeles Times, Sept. 15, 1991]

'STOP THE CHURCH': ALL PARTIES DO THEIR PART

(By Howard Rosenberg)

Curious that it would happen this way, but, broadly speaking, everyone acted correctly:

KCET Channel 28 was correct to air a controversial film showing a 1989 demonstration by gay activists angrily denouncing the Catholic Church for its positions on AIDS and homosexuality. Despite charges to the contrary, the film basically does little more than document a militant, sometimes abusive protest and the rage and frustration behind it, with raw power compensating for cinematic coarseness. Moreover, a 90-minute package KCET aired Friday night—the 23-minute, "Stop the Church" bundled up in 57 minutes of background and discussion—turned out to be rather interesting.

Cardinal Roger M. Mahony, head of the Los Angeles Archdiocese, was correct to express his opposition to the documentary by denouncing KCET for airing it. Anyone angry about Robert Hilferty's film and its condemnation of church policy on AIDS and gays has a right, perhaps even an obligation, to speak out strongly and forcefully.

Debate: That's the American way.

Censorship: That isn't the American way.

Getting down to specifics, though, what an absolute mess this has become since PBS spinelessly yanked "Stop the Church" from "P.O.V." ("Point of View") shortly before it was to air nationally on that documentary series, which is specifically designed to feature the opinionated work of independent filmmakers.

"Stop the Church" is certainly opinionated in the way it captures members of the militant group ACT UP attacking and ridiculing some church policies and disrupting a service in St. Patrick's Cathedral in New York, acts certain to enrage many Catholics and others.

Mahony charged in a press conference later shown during the Friday night KCET program that in scheduling the Hilferty film on its own, Channel 28 was giving in to "blackmail" by gay and AIDS activists who had threatened to disrupt the station's crucial August fund-raising drive if "Stop the Church" were not shown.

In a press conference that also was included in the Channel 28 program, KCET president William Kobin branded Mahony's charge "totally untrue," although acknowledging getting "extreme pressure" from both sides in the controversy.

Whatever the truth, KCET's decision to air the film surely was not made in an isolation chamber sealed off from threats of economic reprisal. What this entire episode dramatizes is just how vulnerable PBS and its stations are without permanent long-range funding. When your existence depends on contributions, foundation grants and periodic government stipends—and this lifeblood can be clotted by a decision to air or not air a controversial program—the instinct to survive by being inoffensive is overwhelming.

Just look at what KCET has run up against, with Mahony not only criticizing the station, but coming within a millimeter of advocating a boycott while engaging in hyperbole that at least matches that of the film he finds so offensive. In his press conference, he said we should now hold KCET "morally and possibly legally responsible for every future act of terrorism against churches, temples and synagogues." This is a joke, yes?

With Jeffrey Kaye skillfully moderating, meanwhile, the background and two discussion periods that KCET inserted after "Stop the Church" went well, even though one panelist did compare the film to the famous video showing Rodney G. King being savagely beaten by police. Maybe there's something in the air.

Both sides of the controversy were equally represented on the panels, despite a refusal to participate by the Archdiocese and the Gay and Lesbian Alliance Against Defamation (GLAAD). The gay group stayed away in protest of KCET's decision not to invite Hilferty or representatives of ACT UP. This gesture by GLAAD in behalf of balance would have been more effective had not Hilferty's film itself all but excluded the voice of the institution it castigated.

At one point Friday night, a point was made by Van Gordon Sauter, former president of CBS News, about the imbalance of "P.O.V." in favor of politically liberal filmmakers. Very true. But "P.O.V." has claimed that is so because it gets very few submissions of films voicing politically conservative themes. If anyone has evidence to the contrary, let's hear about it. Diversity is what public television should be about.

Kobin said KCET decided to air "Stop the Church" ultimately because viewers have

the right to make up their own minds. That's a noble stand, one that KCET would do well not to forget.

EVERYTHING IS NOT FINE IN AMERICA

The SPEAKER pro tempore (Mr. McMILLEN of Maryland). Under a previous order of the House, the gentleman from Illinois [Mr. HAYES] is recognized for 60 minutes.

Mr. HAYES of Illinois. Mr. Speaker, unlike the gentleman who just preceded me, I am primarily concerned about the extension of life after its arrival on this Earth.

Mr. Speaker, the attitude of "everything is fine in America" is a false euphemism. This morning in our cities, towns, and boroughs someone woke up on a park bench, others needed medical attention, but found that it was out of reach, and thousands had no job to go to. As a nation, we once termed hopelessness, excessive unemployment, and medical needs as foreign by nature; today, they all are a part of daily life in America. Conversely, these maladies are placed on the back burner by the President—leaving local officials and community leaders without the support to mobilize resources against these problems. This Nation must be saved from itself.

Mr. Speaker, I rise today to specifically examine the lot of American workers. It seems as though they are being attacked from every angle. Many have spent the entire summer without work and, yes, unemployment benefits. Pension funds are no longer safe harbors for retirement annuities. Further, as we look on the recent catastrophe in Hamlet, NC, workers often work in places that are hazardous and detrimental to their health.

Unemployment in the city of Chicago alone is 7.7 percent as compared to the national average of 6.8 percent. This is not full employment in my opinion. In real numbers, there are around 112,000 people out of work in the city of Chicago. According to U.S. Department of Labor data, the State of Illinois has 17,293 workers that have exhausted unemployment benefits. The fact is that real suffering is going on in the presence of this current recession.

As a result, crime is on the rise. According to Police Superintendent LeRoy Martin of the Chicago Police Department, unemployment can be cited as one of the major causes impacting on the increase of crime, particularly with robberies and street violence. People need help. How can we as a nation turn our backs on people that become so desperate that they turn to crime. This is an emergency and we cannot afford to continue to ignore this crisis.

Nationally, almost 1.2 million Americans have been unemployed for more than 26 weeks, and are, therefore, ineligible for unemployment compensation benefits. That is 600,000 more—more than twice as many—as just 2 years ago, before the recession. In July—after the administration claimed that the recession was over—318,000 people exhausted their benefits. The recession is not over. We all know that unemployment declines only after the recovery is well underway.

If anyone has doubts as to whether or not the unemployed men and women of this country need extended benefits, I ask you to take note of the humility and suffering workers and their families are enduring as they exhaust their 26 weeks of unemployment compensation, which is modest in contrast to world standards. Yugoslavia and Hungary's unemployment standards far exceed those of American workers.

Talk to any family that has exhausted their 26 weeks of benefits and they will ask: How will I pay the rent? How will I make the car payment? How will I educate and clothe the children?

The recession has forced many to seek part-time employment. Six million sought and gained part-time employment. However, no one can support a family at poverty wages.

President Bush promised in his nomination speech to create 30 million new jobs over the next 8 years. But payroll employment now is off almost 1.5 million from where it was a year ago. In fact, employment is only 1.5 million above where it was when President Bush took office more than a year and a half ago—the President is 10 million jobs behind the pace he would need to reach his goal.

There is a great need for this Government to provide a serious jobs program, jobs that will build the infrastructure of this country, jobs that would return dignity to our constituents. Common senses would tell us that the best and most long-lasting way to decrease the deficit is to put people back to work to, in fact, increase our revenue by increasing the pool of taxpayers.

In recent years, the level of employment in the United States has declined. Along with the decline of employment, the quality of life in this Nation has also declined. The quality of life in the United States depends upon renewing and enlarging the productive capacity of private industries, investing in the infrastructure of public works and human services, and developing natural resources in a manner consistent with the maintenance of environmental quality. The quality of life in the United States depends upon policies that promote conditions for self-empowerment by people victimized by discrimination in hiring, training, compensation, or promotion on the basis of prejudice concerning race, ethnic background, gender, age, religion, political or sexual orientation, or physical disability. The quality of life in the United States depends upon policies that encourage businesses to maintain essential jobs on American soil and to refrain from moving all or part of their operations to other countries for the purpose of exploiting lower labor and environmental standards. I believe that the Federal Government should promote maximum employment, production, and purchasing power to protect and improve the quality of life in the United States.

I submit that this country needs to place its resources on the issue of full employment for all Americans. We don't have any more time to waste. I am committed to working to ensure this goal and put this Nation back to work. Our cities are falling apart.

Mr. Speaker, I submit for the RECORD a statement by the distinguished gentleman from Kentucky [Mr. PERKINS].

UNEMPLOYMENT—HOW CAN WE HELP?

(By Carl C. Perkins)

Mr. Speaker, I would like to thank my distinguished colleague, the gentleman from Illinois, for this opportunity to reflect on a critical problem facing our Nation today: the despair that is confronting millions of unemployed Americans who have not been able to find a new job under current economic conditions, and whose unemployment benefits have run out. I represent Eastern Kentucky, where official statistics put the unemployment rate at 11.4 percent; the reality, of course, is much worse because this figure does not include discouraged workers. Eastern Kentucky is undertaking a massive effort to diversify economically, but in the meantime, many Eastern Kentuckians need help to put food on the table and to cover the costs of clothing, health care, and interest on mortgages.

During the past year, Americans have been very generous to those in need around the world. We came to the defense of the Kurdish people against Saddam Hussein. When a hurricane destroyed much of the coastline of Bangladesh, we were there to help. And now the Secretary of the Treasury is on his way to the Soviet Union to discuss the financial needs of that country. Yet when American citizens ask for help, President Bush turns a deaf ear. This is completely unjust.

The fact of the matter is that a trust fund exists for the kind of emergency that we are facing today. On behalf of their workers, companies have been contributing to this fund for years, and the time has come to call upon it. The Bush Administration cites the budget agreement as its excuse for opposing this crucial domestic aid. But the trust fund has more than enough money to cover the $6.5 billion price tag of H.R. 3040, the Unemployment Insurance Reform Act, which the House passed this morning. The unemployment trust fund is insurance that American workers would prefer not to use. Unfortunately, too many workers no longer have a choice.

I hope that the House action today will give the President only one available choice and that would be to help the American workers by signing this legislation. If it is needed then we must be willing to save the President from making the wrong decision once again. Sign the legislation Mr. President, the unemployed of America are waiting.

□ 1310

Ms. NORTON. Mr. Speaker, will the gentleman yield?

Mr. HAYES of Illinois. I yield to the gentlewoman from the District of Columbia.

Ms. NORTON. Mr. Speaker, I thank the gentleman for yielding to me, and I thank the gentleman for his leadership in this special order.

We need to talk more about this subject, which has taken far too little of our time during this session in the midst of a great recession.

Mr. Speaker, if H.R. 3040, the Unemployment Insurance Reform Act, is the best we can do for Americans during this deep recession, it will not be anything to write home about. Nor for that matter will it be much to bring home. An extension of unemployment insurance is necessary only because those who manage our economy have failed for so long to pull us out of this recession. It adds insult to injury to refuse to throw the unemployed a lifejacket. That is what President Bush did when he signed our bill extending unemployment insurance and then refused to declare the emergency necessary to release the funds.

One constituent called my office, Mr. Speaker, to say that perhaps if this bill provided unemployment assistance to citizens of the Soviet Union, the President might see fit to declare an emergency.

My office has been flooded with calls from unemployed constituents who desperately need help because this recession has lasted so long, 14 months. Even so, they are not those who are the worst off. At least they had a job in the not-too-distant past.

They are not among the growing legions of permanently unemployed or those unemployed for so long that they are no longer counted as unemployed. For them there have been no congressional bills and no remedies for the entire duration of this recession and before that.

Look closely at this no-relief recession and one will see what we ourselves contribute to the crime rate. In the District of Columbia, the unemployment rate remains above 7 percent and real estate and banking, major sectors in a city with no manufacturing, are among the worst hit in the country.

Mr. Speaker, we have an emergency. H.R. 3040 is one small step for the unemployed.

Mrs. COLLINS of Illinois. Mr. Speaker, will the gentleman yield?

Mr. HAYES of Illinois. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. Mr. Speaker, I thank my distinguished colleague, the gentleman from Illinois [Mr. HAYES] for bringing about this special order, because I think it is vitally necessary so that those of us in our Nation can begin to look at the situation as it truly exists today.

Earlier this Congress, we passed legislation to provide extended unemployment benefits through July 1992. The legislation stated that before the funds would be released, the President would have to declare an emergency to exist which warranted the additional benefits. Well, the President signed the bill, but then reneged on his implied obligation to do what is best for idle American workers by refusing to declare an emergency. Today, we again passed legislation with no "wiggle room." We have spent two days debating this new proposal, but I want to now join my colleagues in this special order highlighting not the merits of the House bill, but rather the plight of nonworking Americans nationwide.

As I noted in my remarks on H.R. 3040, the Unemployment Insurance Reform Act yesterday, I do not doubt the concern the President has for working men and women—in Chinese factories and Mexican maquilladoras. And he is definitely concerned with unemployment, hunger and human misery—in Kurdistan and Bangladesh. Yet, as the President is turning his eyes and opening his heart to the people and events of Eastern Europe, the U.S.S.R. and the Middle East, this attention is disturbing to laid-off, unemployed American workers who find no similar sympathy, concern or Executive leadership directed toward their plight—who wonder why their President doesn't want to extend for a mere 20 weeks their unemployment benefits.

What are we to make of an administration which says we need to send billions abroad to help avert the destabilizing effects of unemployment and hunger, when there is no commensurate concern of the destabilizing effects of joblessness here on our shores? Now let me say emphatically that I do not begrudge sharing our largesse with other less-fortunate nations, but I find it blatantly offensive that the very real needs of unemployed Americans are placed at the bottom of the list of priorities.

Just because the President wants us to believe that the recession is over, doesn't mean that all of a sudden the millions of unemployed, underemployed and discouraged workers are suddenly back at work. We are still suffering from the cumulative affect of failed economic policies that for many, many months have led to today's severe recession and high unemployment rates.

The saddest part of this whole matter is that this cavalier attitude toward our idle workers is not just one isolated incident, but indicative of the administration's disregard and even disdain for American workers. This attitude has manifested itself several times over the past few years. First, there was the lengthy, heated debate over whether to increase a grossly outdated and unrealistic minimum wage and if so, by how many pennies. After much acrimonious debate, scare tactics and painstaking compromise, we finally got an incremental increase in the minimum wage which in my view is still too low for a decent living.

And what about the debate over plant closing notification legislation? It was out of a sense of fairness that many of us sought to allow persons a modicum of time to prepare and adjust for the loss of income. But this "radical" idea was also bitterly fought. Thank God we prevailed on behalf of workers.

Then, look at the debate over the Civil Rights Restoration Act. The concerns of minority and women workers have been met with total disregard and indifference as evidenced in the mean characterization and arrogant dismissal of the civil rights bill as promoting a quota system.

What is the American workforce to think? Have we forgotten that this Nation was built in large part by factory workers and minimum wage earners who labored long and hard to help make this country the power that it is? Have we become such an elite society that we can be uncaring about the lives and needs of honest, hard-working Americans? Have we become so automated, so competitive, so greedy that we have lost our sense of decency and fairness, respect and regard for our fellow citizens?

Instead of leading the charge against the unemployed, the Administration should be setting an example for the Nation. It should be encouraging corporate America to increase and expand training programs. Mr. Bush, who likes to call himself the "Education President" should be at the forefront of efforts to retrain and upgrade the skills of workers, particularly those whose jobs have been lost because technology has rendered them obsolete. Yet, the President has been strangely silent on this issue.

We hear a lot about the need to promote "good, old-fashioned, American values." Well, one aspect of that value system was a respect for hard work and the decent people who kept and keep this Nation going. Unfortunately, the economic course on which we are now embarked has left far too many American workers without paychecks—unable to buy food, unable to afford clothes, unable to educate their kids, to pay their rent or mortgages. There are pockets of unemployment in my district of 45 to 65 percent. This is unconscionable and a condition that can be deemed only as disgraceful. Most of those without work, want work; they want hope. They want to realize the American dream of life, liberty and the pursuit of happiness. Life without hope is slow death, liberty without economic opportunity is slavery, and happiness without an income is an impossibility.

□ 1440

Mr. Speaker, I thank the gentleman from Illinois [Mr. HAYES] for permitting me to give my remarks on this special order.

Mr. HAYES of Illinois. Mr. Speaker, I want to thank the gentlewoman from Illinois as well as the Member who preceded her for joining me in this special order.

At this time I yield to the gentleman from New Jersey [Mr. PAYNE].

Mr. PAYNE of New Jersey. Mr. Speaker, let me compliment the gentleman from Illinois [Mr. HAYES] for calling this very important special order on unemployment. The gentleman from Illinois is one of the real fighters in this country for people who are underrepresented or voiceless, people who are usually the last hired and the first fired. He is a person who has given much of his adult life to seeing that unions were allowed to organize and that people were given dignity and self-respect, and I congratulate the gentleman and our country congratulates him for making this place a better place.

Mr. Speaker, this is indeed the time to focus on the needs of the American Worker. The national unemployment figures are near their highest level in almost a decade. Currently, during this national recession many Americans want to work but cannot find jobs.

In July of this year, our great Governor Florio and the New Jersey State Legislature took the lead and passed a $250 million program extending jobless benefits for an extra 6½ weeks for some 200,000 unemployed workers in our State.

Although the New Jersey unemployment rate in August was 6.7 percent which is close to the national average, there are a few positive signs on economic recovery including some increase in consumer spending and new home sales and residential construction.

Additionally, the New Jersey's jobless rate in August was the third lowest among the Nation's 11 most industrialized States.

Indeed these figures seem to be a bit encouraging, however, the Northeastern part of the country and the Nation as a whole is still entrenched in a deep recession.

There are 8.5 million people out of work and over 2 million Americans have exhausted their unemployment benefits this year.

Additionally, young people today barely have the opportunity to get a job. A young law student came into my district office in Newark this summer because he was looking for employment so that he could continue his college education. He was unable to find a job anywhere. Yet, he was willing to volunteer simply because he wanted some experience and he wanted to keep busy, and he volunteered in our office this summer because we had exhausted our internship program funds.

When I was in college I had several jobs. I was very fortunate as I worked my way through college. I was a dockworker, a grocery man, and a waiter, and after graduating from college when I started my teaching career, I was able to supplement my income by being a truck driver when I worked at our Newark post office. Today, because of the economy, many young people do not ever have a chance to begin their careers.

When the minimum wage bill came up, we were looking for a $5.05 minimum wage. But President Bush said that was too high, that was inflationary, and so we compromised it down to $4.55. The President said that that would wreck the economy and vetoed the bill. We had to settle for $4.25 for the minimum wage. He said inflation would take over and $4.25 would do.

We have many jobs in our area, many manufacturing jobs that have left the Northeast and my district, thus leaving many people unemployed and looking for jobs. Most people must rely on their unemployment insurance to survive.

By passing the Unemployment Insurance Reform Act we have sent a signal to the American people that we understand the difficulties of securing a job in these troubled times, and that we want to assist them by extending unemployment benefits while they continue to seek employment.

I hope that the White House will see the urgency surrounding this issue and help us by expediting and being expedient to the process and signing the bill.

Mr. Speaker, many people cannot afford any more delays.

Mr. HAYES of Illinois. Mr. Speaker, I want to thank the gentleman from New Jersey.

Mr. Speaker, I yield to my colleague, the gentlewoman from California [Ms. WATERS] for her statement in support of this legislation.

Ms. WATERS. Mr. Speaker, I thank the gentleman for yielding. I would like to thank the gentleman from Illinois for organizing this time today to speak to an issue that I think is of paramount importance to the citizens of this country.

What are we talking about here today? We are talking about the Unemployment Insurance Reform Act of 1991, H.R. 3040. It is simply a piece of legislation that recognizes the difficulties that Americans find themselves in at this point, and it says to the President of the United States: "Please sign this bill to allow for extended unemployment benefits for those who find themselves out of work for much longer periods than they anticipated, unable to get back into the labor market."

Why must we come to this floor and make these comments and talk urging the President to sign this legislation? We must do this because the President had the opportunity to support the citizens of this country and extend to them the right to have additional unemployment benefits under these circumstances.

□ 1450

He had a resolution, and all he had to do was declare an emergency. The President refused to do that. The President said he did not feel that the 10 million people in this country who are unemployed constitute an emergency. This sounds strange to a lot of people. It sounds strange, because those people who are unemployed, indeed, feel it is an emergency. They cannot buy clothes or food or pay for their shelter, and they feel that they are in an emergency situation.

Some people raised the question that perhaps the President is concerned about the deficit, perhaps the President is concerned that we cannot afford it. Well, that is a legitimate question to raise except there is $8 billion in a reserve intended to be used for extended unemployment benefits for those Americans who find themselves out of work for longer periods than the ordinary unemployment benefits would allow for in their States.

Why then can we not use this $8 billion to do it? The President, had he signed that bill, could have triggered the use of that $8 billion, but the President had some kind of argument that talked about it being an unwise thing to do in this recession.

The 10 million people who are out of work will not understand that. I do not understand it, and I do not believe Americans deserve to be treated that way.

Let me tell the Members something else that is even more cruel than the President's inability, unwillingness to support the 10 million who are out of work. This legislation that we have before us, as the resolution that was sent to the President, would have allowed for veterans to receive extended unemployment benefits. Most people do not realize it, but veterans are not eligible for the same extended benefits that the average civilians are eligible for. How can that be in an America that loves its soldiers? How can that be in an America that embraces its veterans? How can that be at a time when we have just witnessed Desert Storm with young men and women returning?

No, let me tell you about the young men and women just returning from Desert Storm. Many of them will not be eligible unless we have a bill of this sort, because in law it says you have to have been serving for a certain period of time before you would be eligible for extended unemployment benefits.

For those people who were in Desert Storm, who did not serve 180 days, we are saying that if they served 90 days,

please allow them to be eligible. Many of them were working. Many of them not only deserve to have these benefits but some of them have been denied their job-return rights, and government is so bogged down they have not gotten the assistance to force employers to let them have their jobs back.

We will tie yellow ribbons, as we have been doing, around trees, over doorways, and we will have parades, and we will spend millions of dollars on parades telling people how much we love our veterans, but, guess what, the President of the United States does not support them having extended benefits in the way civilians are eligible for it. He does not support those who served in Desert Storm less than 180 days being given a little break to say, "Well, if you only served 90 days, you deserve to be able to get extended unemployment benefits."

Something is wrong, and the American people need to question: What is wrong in America today? Why is it we are so centered on foreign affairs? Why is it we can fund the Kurds, we can come to the aid of Bangladesh, we can give Israel money after Desert Storm to make up for the Scud missiles that were launched? Why is it we can do all of this, but we cannot find it in our hearts and in our vision to support our own right here in this country?

Well, we are involved in a great debate about what we must do for the emerging democracies, and we are so worried about what is going to happen in the Soviet Union. We are worried that if we do not support them they are going to go back to their old ways. I suppose some people are worried about that. I think they have surrendered. I think that certainly we need to be concerned, but my grandmother always said, and I will be repeating this day in and day out, "Charity begins at home, and it spreads abroad."

The American people must be asking at this point: "Why cannot the President and the Congress of the United States look around them and see that the infrastructure has fallen apart, that the bridges are falling apart every day, that the educational system of this country is in a state of disrepair, children are dropping out of schools, and the physical plants where we expect our children to learn are run down, and we have no capital-improvement money for our schools and educational institutions?"

People are on the streets of America, sleeping on grates and in parks, homeless, and the numbers continue to mount. Ten million people are out of work. States are in trouble with budget deficits. Cities are in trouble. Over 25 cities in America are in great deficit, some beginning to file bankruptcy, and cannot pay for police and fire, and unemployment, again, as the cutbacks and the layoffs take place both on the public side and the private side.

Why, Mr. President, can we not have a simple little piece of legislation that says to the American workers, "We care just as much about you as we care about those in those so-called emerging democracies in other places that come to us for help?" Why cannot the President say that that $8 billion that we have in reserve for unemployment benefits should be spent on Americans? Why can we not say, "Well, we have done a lot for a lot of people; it is time for us to turn our sights on the domestic agenda?" What can we do not only for unemployment and extending those benefits, what can we do for job creation? What can we do in anticipation of a cutback and reduction in military and defense budgets? What can we do for job conversion? What can we do to say to the American people, "You deserve to have the benefit of your tax dollar?"

We are here today making a plea for support for H.R. 3040. We should not have to. It should be a given. Everybody should well expect that this bill will zip through without debate, but people must be concerned, because we do not know where the President is. We know what he did with the resolution that he could have said yes, it is an emergency, and release those $8 billion, and he refused to do so.

So we say to the President that H.R. 3040 is important; it is a test of where he is, where Congress is. It is a test of whether or not we truly are prepared to say to the unemployed, "We know the pain that you are in. We know the suffering that you are experiencing. This is just a little bit of what we are going to do to alleviate that pain."

I would urge the President of the United States not to debate this one, not to play politics with this one, not to hide behind the recession on this one, but, rather, to quickly sign H.R. 3040 and give Americans a little bit of a break.

Mr. HAYES of Illinois. I certainly want to express to my colleague from California my appreciation for the very profound remarks that she has made on the subject at hand.

We are about to close out the time of our debate here.

In conclusion, I do want to say that I have had some experience in being unemployed. I know what it means. Even at the age of 18, I entered into what we called then the Civilian Conservation Corps, financed and supported by the Federal Government under President Roosevelt.

I helped my family, my dad, my mother, and 11 other sisters and brothers, by being able to send home each month what was then $25 of the $30 a month which I received for setting out trees on the banks of the Mississippi River in order to stop the erosion of soil in Illinois into that river.

□ 1500

We want to protect our environment. We want to do what we can to rebuild our infrastructure in the cities, which is a part of it.

I think we have to make the question of jobs one of our top priorities and begin to divert our attention and make this one of the directions which the tax dollars for those of us who are working are turned.

It is more important to me, and I am not against progress and moving ahead, when we add up the amount of money that we spend now for space exploration or spend on the B-2 bombers that are not yet working as we think they should, and yes, as has been said, as we spend and send money to other countries, we had better hope we have said something here in this time we have consumed to begin to divert attention to the need to doing something for human beings who are suffering in this Nation.

Everybody on public assistance is not lazy. They would like to be able to contribute something to their own chance to live in human decency and not have to depend on a public assistance check.

This is what we are saying. Start looking at it. Begin to do something to convince this administration and Members of this Congress that people need to have a right to live and they want to work and earn a decent living.

THE POW/MIA ISSUE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Delaware [Mr. CARPER] is recognized for 60 minutes.

Mr. CARPER. Mr. Speaker, this is the week that we pause in the United States to remember those people who served in our Armed Forces during wars, in Vietnam, in Korea, in World War II and other conflicts, from which they did not return. My generation is one which served in the Vietnam war. There were several million of us who served our Nation there. Of those who served, over 55,000 were returned home dead. Most of us did come home. Most of us came home alive and reasonably well, some wounded, some who still carry the scars from that war.

Here in the U.S. House of Representatives there are 11 Members of this body who served in the Vietnam war. There are over 2,500 Americans who did not return home at all following that war, either alive to return to their families, or dead to be buried.

Since 1975 the remains of roughly 300 of those Americans have been recovered and have been identified, but still today as we meet here in this House of Representatives, there are over 2,300 American servicemen from the Vietnam war for whom we have yet to account.

In Korea, that number is in excess of 8,000 personnel. In World War II, the

numbers are several times that magnitude.

Sixteen years after the war in Vietnam ended with the government in Saigon falling to the north, 16 years after that event, doubts remain about our missing in action. There are those in this country who earnestly believe that Americans are held in substantial numbers against their will in Southeast Asia, either in Vietnam, Laos or Cambodia.

There are questions about whether or not our Government has done its best to find those men and if they are alive, to bring them home.

There is a perception that five administrations, from the Nixon administration through the President Bush administration have participated in perpetuating a coverup of the fact that hundreds of our men have been left in the jungles to rot.

Early this year I was visited in Delaware by a number of Vietnam veterans who believe the worst about their country in terms of our walking away from hundreds of our men and leaving them behind. They are convinced that those men have been abandoned, and they called on me as one Vietnam veteran to do something about it. That visit set up a chain reaction for me and led me to consult here in this Chamber with Congressman PETE PETERSON, a Democrat from Florida who spend 6½ years of his life as a POW in Hanoi, an Air Force pilot who was shot down; for us to then meet with JOHN MCCAIN, a Senator from Arizona, a Republican, who also served roughly the same number of years as a POW in North Vietnam.

PETE PETERSON and I subsequently met for briefings with the Defense Intelligence Agency, the State Department, and then with a fellow named JOHN MILLER, who is a Congressman from Washington State, and others, who have been active in pushing legislation called the truth bill, to make sure that information that may be gleaned about the activities of our Government to find out information about our POW's and MIA's in Korea or Southeast Asia or World War II, that that information is shared with the families of those men, and if there are women, with them as well.

Back in the spring of this year, we began some serious discussions about possibly putting together a congressional delegation to go to Southeast Asia to see for ourselves what is being done. In early August of this year, on August 3, six of us, three Democrats and three Republicans from throughout our country, departed for Southeast Asia, a trip that was to take us to four nations, including Vietnam, Laos, Cambodia, and Thailand. Before we ever departed, we spent the better part of several weeks prior to that departure in a series of briefings, over two dozen in all, including meetings with veterans groups, with Department of Defense officials, State Department officials and other Members of Congress who have visited that part of the world.

General Vesey, who is the President's Special Emissary to Hanoi on this issue of POW's in Hanoi and Thailand was there. We met with academics. We met with foreign nationals from other governments, including the Government of Laos.

When we departed on August 3, I think there were probably four goals or objections that we had in mind, four subjects that we wanted to explore on our trip.

The first of those we wanted to engage personally was the intensity and sincerity of our Government in its efforts to find live Americans, if they are there, or to recover the remains of Americans who may still lie in Southeast Asia.

The second subject that we wanted to explore was the level of cooperation on the part of the governments of Vietnam, Laos, and Cambodia, cooperating with our efforts to find out the fate of our POW's and MIA's.

Third, we wanted to engage firsthand the progress that is being made in ending the civil war in Cambodia.

Finally, we wanted to look closely and carefully to consider the question of whether we should begin normalizing relations with the Vietnamese, with the Cambodians, whether we should begin lifting the economic embargo of those countries.

As I said, our trip took us to four countries over the span of a week; Thailand, Vietnam, Laos, and Cambodia.

In Vietnam, we visited among other cities, Hanoi, Da Nang, and Saigon. We went from one end of the country to the other. We met with the new General Secretary of the party in Vietnam. We met with a whole host of officials throughout the country. We met with a lot of people in the streets, people from all walks of life.

In Cambodia we met with the leaders of that country. We met with the leaders of Laos and we also found a number of people from our country in Laos working on a new constitution for that nation.

We met in Thailand with United States business representatives. We met with our own officials in each of the countries that we went to.

In Hawaii, on our way over, we stopped and visited a central identification lab where the remains of Americans are taken as they are brought back from Southeast Asia and other places to determine just who these names are.

We met with the joint casualty team that is headquartered in Hawaii and does a lot of the excavation work and other work in Southeast Asia.

During our visits in Vietnam, we visited with hundreds of Amerasians, Vietnamese of mixed ancestry, including American ancestry, who are trying to come back to this country.

We visited the early departure center where literally over 10,000 Vietnamese nationals have come through there to our country.

□ 1510

With regard to the findings that we made, we found a number of Americans working in Southeast Asia, some in difficult circumstances, trying to get to the bottom of the POW/MIA question. We found increasing cooperation on the part of the Vietnamese and the Lao, for example, and the Cambodians, we found a sensitivity to the POW/MIA issue there that, frankly, I did not expect. We found countries there that are beginning or are well on their way moving from a command economy to a market-driven economy. We have met since our return with leaders of CINCPAC, with the Secretary of Defense, today with the Assistant Secretary of State for Southeast Asia, and we hope to meet later this month with the National Security Council representatives and perhaps with the Secretary of State.

As we have one through those meetings, we have presented a series of recommendations that most of the members of our delegations believe are appropriate.

One of those recommendations has been that it is time for the United States to lift this cloak of secrecy that seems to surround much of what we are trying to do in Southeast Asia, much of what we have done. We, the military—and I served 23 years in the Navy as a naval flight officer on active duty and in the Reserves—we overclassify materials. We keep it classified for longer than we need. What we need here is to let the people of our country know exactly what we have been doing, to find out the truth about our POW/MIA's and to let the American people know that.

We found there is not really one person in charge of the POW/MIA mission in Southeast Asia or in Korea or for World War II. There should be. We recommended a number of structural changes that address that problem.

New assets are being dedicated to our efforts to find the truth in Southeast Asia. It is important that those assets go in country, in Southeast Asia where they can do the most good, and not in some headquarters in Hawaii or in Thailand.

We have talked with the Vietnamese and with the Lao about increasing the mobility of our own people doing the work in Southeast Asia and have asked that the governments of those countries cooperate in allowing us either to bring in our own helicopters and release helicopters so that we can increase the mobility, to follow up live-sighting reports or simply to move our

excavation teams from place to place. We want to extend the in-country tours of our men and women who are doing the excavations and the other work in those countries.

We want to facilitate travel by American next of kin of POW/MIA's to make sure that they can get to these countries if they want to go for themselves to check and to see firsthand and follow up firsthand the fate of their loved ones.

Several of us, including myself, believe the time has come to at least begin the process of normalization with Vietnam in very modest steps by lifting the 25-mile travel restriction that we place on their representatives to the United Nations in this country and also on lifting the ban on telecommunications with Vietnam.

I see a number of my colleagues joining us here on the floor, and I think it is important that I yield and that we share this time, sharing, if you will, with our colleagues and with those who may share across our country an interest in this issue.

Among the people who were on this trip is a fellow who served in the Marines, in the Danang area, now a congressman from the State of Colorado. His name is DAVID SKAGGS.

Mr. Speaker, I yield to the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. I thank the gentleman for yielding. Let me just pay tribute to the work that TOM CARPER and PETE PETERSON did early along in coming up with the idea and fashioning an itinerary for this trip that I think made it very useful, not just in our education but, I hope, in the message that we can bring both of our colleagues here in the House about some of the more complicated and nuanced aspects of what is going on in our effort to resolve the POW/MIA issue as well as the message Mr. CARPER has already indicated that we have brought back to the Secretary of Defense and the assistant secretary of state and our military commanders in CINCPAC.

One of the things that I think troubled all of us most coming back from this experience was a kind of disconnect between what has been said by administration after administration with regard to the resolution of the POW/MIA mission being a top national priority and the reality in the field where we found many, many competent, dedicated Americans in uniform and out of uniform doing their darnedest under the most difficult circumstances to investigate these cases and to bring them to closure. But those individuals at the same time being hampered by inadequate resources, logistical support, a command structure that perhaps gets a bit atrophied over the years. And certainly not the kind of full-bore effort that we would have expected to attach if indeed this was a top national priority. That is a message I think we have all tried to convey to others in our Government since we returned.

It is not intended as a kind of criticism or complaint, but rather an effort to bring into balance the public's perception of what is going on out there with the reality of what is going on so that we do not invite further skepticism and further mistrust because there is this disparity between what we say we are doing and what we are actually doing.

I am very encouraged by the decisions that the Secretary of Defense has made over the last couple of months to put additional resources into this effort, to commit himself to reexamination of the structure of the military commands that are involved in this, and I think he is committed to making real the rhetoric about our efforts there.

Certainly, if there is any falling short of that, I believe the six of us who shared this experience together in Southeast Asia for a very full and hectic week will continue to make the point to the Department of Defense and elsewhere in the Government what they need to be doing to keep faith with the American people and most particularly with the families of our lost servicemen who have been put through an extraordinarily difficult and emotional roller coaster ride year after year with the numerous reports, almost always shown to have been fraudulent, of live POW sightings and all the rest.

In fact, one of the things that I think struck me the most about being on the ground in Southeast Asia was understanding the incentives that have unfortunately come to bear to give Southeast Asian refugees in Thailand and elsewhere reason to concoct stories about our missing servicemen, aided and abetted by the most cynical efforts of others in those countries willing to exploit both their gullibility and the vulnerability of our families here in the United States with phony dog tags, with contrived skeletal remains and all the rest. It is really a sad commentary that there are those over there who are willing to exploit this as cynically as they are. But we need to know about that because it gives us the context in which to judge some of these phony reports about live sightings and other evidence.

Again, I just want to thank the gentleman from Delaware [Mr. CARPER] for his leadership in this, and all of the members of the delegation. I think it was an experience that brought us together in ways that do not normally happen in this body, to learn the stories of my colleagues, their service during the war, the dangers and the wounds that they incurred, that was a moving experience for me and one that has just increased my deep respect for all five of the colleagues who joined me on this trip.

Mr. Speaker, I thank the gentleman for yielding.

Mr. CARPER. I thank the gentleman very much for his remarks and for his contribution. Let me just say that I think we had an extraordinary group of Members of Congress who went on this trip, people who wanted to get to the truth. We said time and again we felt we were taking a heartfelt message from the American people to the leaders of Vietnam and Laos and Cambodia. Mr. SKAGGS was just an integral part of that effort. I am grateful to him for making the time and for coming with us and for contributing so significantly.

Before I yield to the gentleman from Arizona [Mr. KOLBE] let me simply say that when we were casting about for people to go, Congressman PETERSON and I were casting about for people to go, we did not set out to pull in people from an equal number of Democrats, an equal number of Republicans or people from the east coast or the west coast, north and south. We did end up with a really good mix. We ended up with a good mix of people as far as their service is concerned. Mr. SKAGGS served in the Marine Corps, Mr. PETERSON in the Air Force, Mr. GILCHREST served in the Marine Corps, Mr. RHODES, who served in the Army, and we had even a Navy fellow from the swift-boat community who served in the southern part of Vietnam.

JIM KOLBE was that individual. I am really pleased that he could go with us and pleased he is here today to participate with us at this time.

Mr. Speaker, I yield to the gentleman from Arizona at this time.

Mr. KOLBE. Mr. Speaker, I appreciate the gentleman from Delaware [Mr. CARPER] yielding to me, and I am returning the compliments by saying I think of all of the opportunities that I have had to travel with congressional delegations on business related to the United States, I have not been on one that I felt had either a better leader or had a more serious purpose to it, and I think it was a fact that the six of us who traveled, we did so because we had open minds. I think we did so with a seriousness of purpose that was demonstrated by the preparation we had for the trip and by the work we did when we were there, and I think the results over the course of the next several months will be shown. I do thank the gentleman from Delaware [Mr. CARPER] and the gentleman from Florida [Mr. PETERSON] who were so instrumental in helping put this thing together and to organize it.

This was, I think as has already been said here today, a very special trip for all of us. Six veterans of the Vietnam conflict, all of us returning to Southeast Asia for our first time. But this was not just a trip down memory lane.

This had a purpose to it, and I think, above all else, our purpose was to be able to convey to the Vietnamese Government, and I know this has been said here already, but our purpose was to convey to the Vietnamese Government the seriousness of purpose that the United States has with regard to resolving the POW/MIA questions.

The unresolved cases that still afflict so many families in this country leaves them with a sense of doubt, leaves them with a sense of anguish about what happened to their loved ones, Mr. Speaker, and we wanted to convey our seriousness of purpose as a government, and as a nation, as a people, that we are determined to get to the bottom of every one of these cases that we possibly can. I think we were successful in conveying that message to the Vietnamese Government, the Laotian and the Cambodian Governments. I think we were successful in demonstrating to them the seriousness of our own purpose in being there. I think they have some very specific suggestions from our group and from the U.S. Government about ways in which this issue can be addressed in an even better fashion than it has been thus far, that we can be able to get to the bottom of as many of these cases as possible.

Mr. Speaker, too many American families have been manipulated by unscrupulous people in and out of the United States who have found reasons for their own personal gain to keep alive the possibility of Americans who might be held against their will in Southeast Asia. While none of us knows for sure whether there are or there are not Americans being held, we do know that we need to get to the bottom of every one of those cases, and we do know that every one of those that is subsequently proven to be false has just taken that much more of the resources and the time of our personnel out there, and it is not only cruel to do this to the families, but it is tragic to do it for the others whose cases might have been resolved during that same time.

There have just been in the last few days press reports that yet another one of the photographs that appeared in the press a few weeks ago appears now to be a forgery, appears now to be not a true photograph, and, if that is the case, then whoever is responsible for that, whether it is somebody in Southeast Asia, or whether there are others in the Western World who knowingly are using that or allowing that to be used for other purposes, are doing a great disservice to the American people and certainly to those families.

When all is said and done, it seems to me that we are going to have to admit to ourselves that there are some cases that are not going to ever be resolved, and I think all of us that went to this trip come back with a realization that we will tragically, unfortunately, never be able to get to the bottom of every single case. But when we think of the numbers of missing in action from World War II, still numbering almost 78,000, and about 8,000 from the Korean conflict, we realize that we will never be able to finally get to the bottom of every one of these cases.

We do know that some of these people in Southeast Asia, for example, went down in aircraft in the South China Sea, aircraft that disintegrated upon impact from which there was no ejection and from which there will be no remains and no parts that will ever be recovered from the ocean bottom. So, we do know that some of these cases cannot be resolved, but we have an obligation to get down to as many of those as we possibly can and realize that the chapter of this book will always have its final chapter left unwritten.

While we were in Hawaii we were told by the Central Identification Laboratory, Hawaii, that has the responsibility for investigating all of these cases of an incident recently in New Guinea where villagers had come out with information about an American, about 29, that had crashed during World War II, and they went in, and investigated and, sure enough, found it and found some of the remains. This is something that happened nearly 50 years ago.

So, the book is never closed on these kinds of investigations, but we also have to realize that there is a time when we say that we have done as much as we can, and we are getting the cooperation we can on the remaining cases, continuing to look at those and to say that now we must look towards a better relationship with the countries that are involved, and I think that is the hope that all of us have, that we can have normal relations again with those countries of Southeast Asia which have troubled our history as much as their own history has been troubled.

We have come back, and I know the gentleman from Delaware [Mr. CARPER] has discussed some of our findings and some or our recommendations, but I think we come back with some very clear recommendations that we believe our Government could follow to get to a quicker resolution of the remaining cases. We believe that the Government needs to attach the highest priority to this issue, to put the resources to it that they have said all along that they would do. We think they need to declassify more information. There is some information that cannot be, but there has been too much of a veil of secrecy that has been held over some of these cases. We think that we need to look again at the command and control structure for this operation and that there are ways that we can bring some greater emphasis by having new members from the military serving in command positions for this operation. We think that there needs to be a single control, a single command and control, a point of information for this operation so that it is very clear who has the responsibility for it.

These are some of the findings and recommendations that I know we discussed and that we have discussed with the Secretary of Defense, and we will make this public in a report in more detail. But I think the gentleman from Delaware [Mr. CARPER] has done a great service today by taking this opportunity for us to share with our colleagues and with others throughout the United States the findings that we have and our views about what might be done to get an even speedier resolution of these cases, and I commend the gentleman for his outstanding service in putting together this trip and for the service that he has given to the American people in this regard.

Mr. Speaker, I appreciate the opportunity of sharing some of these thoughts here today.

Mr. CARPER. Mr. Speaker, I thank the gentleman from Arizona [Mr. KOLBE] for his remarks and for being a part of this event. This is not the effort of any one individual person. This is a truly team effort, a bipartisan effort, multiservice effort, and I think we have done good work for the American people, for the families of the POW's and MIA's.

Mr. Speaker, I think we have planted some seeds in Southeast Asia that we have left behind to grow, and I think the months to come will indicate to what extent.

Mr. KOLBE. Mr. Speaker, what the gentleman from Delaware [Mr. CARPER] said about the seeds being planted is very true, and I think even in the short few weeks since we have returned we have seen some of the things that we suggested to the Vietnamese Government about the use of American helicopters, about allowing families to come over there, about allowing us to go to any site in the country without prior notice. We have seen some real progress in those areas.

□ 1530

So certainly what we are hearing from our field people is that they are very encouraged by the level of cooperation we are getting today from the Vietnamese Government, and I think it is in large part due to the gentleman's efforts and his work in having this group make this trip.

Mr. CARPER. Mr. Speaker, I would correct the gentleman. It is a result of our efforts and the efforts of a lot of other people who are not here today. I am just glad that we could be part of it. I thank the gentleman from Arizona [Mr. KOLBE] very much.

Six months or so ago on this House floor, Congressman PETE PETERSON and I began to discuss the issue of POW's and MIA's in Southeast Asia. I did not

realize prior to this year that PETE PETERSON, a newly elected Congressman from Florida, had been a POW for 6½ years. I found that out early this year, and when my Vietnam veterans from Delaware had come to meet with me, I said, "I want to go and talk to PETE PETERSON and find out how he feels about our Nation's efforts and what we ought to be doing differently."

It was from the initial conversation we had here roughly a half year ago that our delegation trip was put together, and I think a great deal of good has been done.

There is an old saying, that "failure is the orphan of success and has many fathers." I know one of the fathers is about to be recognized here. I am pleased to say how much I enjoyed putting the trip together with PETE, and I was glad to be a full partner with him.

Mr. Speaker, I yield to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Speaker, I thank the gentleman from Delaware for yielding, and certainly let me return the congratulations and also tell the gentleman how much I hold him in esteem for all the hard work he put into this trip and for his leadership as we met with delegation after delegation in the process of the preparatory work, and also as we got into the field and talked to those many leaders in Laos and Cambodia and certainly in Vietnam.

This trip was a very emotional one for me. As my colleague, the gentleman from Arizona, noted, it is, indeed, the first trip back for any of us, having been on ground and certainly incountry veterans of the Vietnam war, and it was an experience to go back at a time when it seems like the entire world is coming loose and new ideas are being presented, particularly in the Communist world, a part of the world in which we served in this case, in Southeast Asia.

They are going through a transformation as well, and I think it is noteworthy to tell the country here how much Southeast Asia has changed since we were there. Just as a case in point, if we talk of Vietnam, when we were there, there were 20 million people. There are now over 70 million people. The thing that strikes one, no matter where you travel in Southeast Asia, is the youth. In Vietnam itself, I believe, if I am not mistaken—and my colleagues can correct me—roughly 50 or 60 percent of the people there are under 20. That is an incredible number if you stop and think what that means to the political orientation and the social organization of that country, and certainly as it applies to the Vietnam war. It is one of the things we as a nation have to pick up and think about more seriously.

Just a few days ago I celebrated, if that is the word, 25 years to the day when I was shot down in a mission over Hanoi. That is an awfully long time, and so much has transpired in that time. Yet for all practical purposes it seems there has been a place in this world where time stopped. You see that in Vientiane, and you see that in Phnom Penh. You see that in various places in Vietnam.

While the world has gone on, things have stopped over there, and it looks like they are ready to talk now. It looks like they are ready to open up, and it looks like we are at the "Y" in the road where we can take advantage of the major changes that have occurred in this world and we can hopefully find some closure to this absolutely terrible issue of those who are still missing from the the battlefields of Vietnam. The American people yearn for that. Our families cry for it. Certainly the faith and the prayers of not only the families and the entire population of this country—and, incidentally, of many of our allies—are not going to go unanswered. I think we are going to find a solution to this problem. I think we are going to find a closure to this. I think we are going to find that relatively soon.

But as my colleague, the gentleman from Arizona, noted quite correctly, there are going to be those cases in which there will be no answer and there will be no finding as to what happened. We will have to leave that out for God only to know, One day those families will have to come to that conclusion, and hopefully they will have their answer through faith as well.

But now we are in a circumstance where we have come from a very, very eventful trip. I think the fact that we were there when we were there, with the idea of finding solutions, as opposed to pointing fingers and being accusatory in our remarks or our intent, has allowed us to help our own Nation focus on where we need to go to get the final conclusions. Some of the offers we have given to the Secretary of Defense and the Under Secretary of State and others that we will talk to have been taken very seriously, and our findings, as has been noted by some of my colleagues in their previous talks, are being acted upon, and those people are going to change the structure that we have found to be absolutely antique and archaic in our approach, with misguided, oversensitive identifications in the security aspects, and the failure to really communicate to the American people what we are doing.

We have done a lot of things already, as my colleague, the gentleman from Colorado, noted. As he said, we have done things right, but we did not tell anybody we did that, and if we do not, certainly we are not going to get credit for that. We need to move ahead.

The only thing I would add at this juncture that has not been mentioned already, is that on some of the suggestions we have made, I think it is imperative that we in this Nation take a leadership role in establishing a single plan whereby all the players, the United States and our allies, plus the countries of Cambodia, Laos, and Vietnam, can jointly secure searches and follow-up leads and make those vital findings together.

In the past it has been a situation where we can go up to a border and our people would have to be stopped, and it might take 6 or 8 weeks or a year to get back to a point where we can go across the border and continue our searches. That is because we have not had a coordinated Southeast Asia plan, and we have got to focus on that. The State Department and the people in DOD have acknowledged that that is a problem, and that they will work at that. But I think it is imperative because we cannot ever have an efficient method for securing these answers and carrying out the searches we need to make without being able to cross borders with great liberty.

Finally, we have got to bring our allies into this. We have got to pull out the stops. We have got to bring in the Soviets, we have got to bring in the North Koreans, we have got to bring in the Chinese, and we have got to bring in the Cubans. We have got to bring in everyone who has ever had any knowledge of the POW-MIA issue as it applied to us during the war. And in so doing, I think we are going to open up new avenues and obtain new documents and new ideas and, I think, new evidence as to whether or not we have in fact covered those countries to the point and to the factual level of the precise technical aspects of the situation that we need to cover.

With that, Mr. Speaker, I will stop and defer to my colleague, the gentleman from Delaware, but before I do that, let me pay my great respect to all my colleagues who traveled with me on this trip. I have never been so proud of anyone, perhaps other than during that time that I spent in my Vietnamese prison camp, to have served with a group of gentlemen with as much esteem and certainly with the intent to come to a conclusion on this very, very special and very difficult issue.

Mr. CARPER. Mr. Speaker, let me just say that each of the five of us who joined you on this trip feel exactly the same way about you.

Joining us on this trip was a fellow who had been a platoon sergeant during the Vietnam war, a fellow who served not in the Army but in the Marine Corps. Before I yield to the gentleman from Maryland [Mr. GILCHREST], I just want to share with the Members one of the emotional high moments, one of the highlights of our trip.

□ 1540

It was during the last meeting we held in Hanoi, when we met with the

General Secretary of Vietnam, Do Muoi.

I, in introducing our delegation at the beginning of our session, told a little bit about each of our colleagues who was a part of this delegation. I got to Mr. GILCHREST from the Eastern Shore of Maryland. I sort of kidded with General Secretary Do Muoi about how he, as a former house painter, had done well for a house painter, and apparently in his view that had been his occupation. I mentioned that Mr. GILCHREST at an earlier time in his life had been a house painter as well.

I also mentioned that during the war in Vietnam as a marine serving in combat, Mr. GILCHREST took a hit, took a shot from an AK-47 that went into his left arm and ended up coming through his lung and out his back. He was subsequently awarded the Purple Heart, and, as I recall, the Bronze Star.

Secretary Do Muoi asked through an interpreter if there are any scars from Mr. GILCHREST'S wounds. Mr. GILCHREST rolled up his shirt and showed the General Secretary a scar on his arm.

Mr. Do Muoi was not satisfied with that. He wanted to see the wound where the shot had come out, where the round had come out the back of Mr. GILCHREST.

The General Secretary literally lifted the shirt there in our meeting with him and proceeded to touch the wound with his fingers. It was a wound that even today bears testimony to the serious nature of the wound that Mr. GILCHREST suffered.

He pulled the shirt of Mr. GILCHREST back down, took his hands, embraced him, and then he held him. He held his hands and just looked at him. Not a word was said. Not a word was said.

It was an emotional moment for all of us. As I recall, one of the foreign ministers from Vietnam actually began to cry. That is a visual image I will never forget. It was not done for the television cameras. As I recall, there were none in the room.

It was very much a personal statement, not just from the General Secretary of Vietnam to our delegation, but I think from one country to another.

For that reason, aside from his other contributions to our trip, I am delighted that Mr. GILCHREST could join us, and I yield to him at this time.

Mr. GILCHREST. Thank you, Mr. CARPER. I think that particular incident you just so eloquently described was without a doubt, and all six of us felt that way, and the people in the room as well, truly a testament to the commonality of our humanity with other people.

The people in that room, the Vietnamese and the Americans, the people in the United States, the people in Vietnam and throughout Southeast Asia, have shared a common history. We have suffered anguish and pain and loss, the Vietnamese, the Americans, and certainly other people as well.

But in that room, that commonality of history, that shared sense of pain, loss, suffering, and hope for the future, was certainly felt at that particular point.

It is that moment that is a reflection of the trip that we want to continue, that most important quality, that most important aspect of Americans and all humans, and that is hope for the future.

Mr. CARPER and other Members on the delegation, I truly thank you at this particular moment for asking me to go on this trip with you. I again echo what my colleagues stated earlier. I want to emphasize this, not as something we say very often as Congressmen, but this was a trip made up of people who are truly dedicated to solving problems, to easing pain, to sharing burdens. We were not out there to look for the spotlight. We did not go to Southeast Asia to underline what has already been done. But we went to get into the process of solving problems, so that we can move on to the future.

Mr. CARPER, I want to make sure that you understand how much I appreciate your efforts in creating this trip, along with Congressman PETERSON from Florida. When you told me about this trip, I became rather excited, because I had not been back to Southeast Asia for more than 20 years, and none of the gentlemen on this trip has been back to Southeast Asia.

So it was an opportunity for us as individuals. It was an opportunity, because the first time the six of us went to Southeast Asia, we went to wage war. The second time we went to Southeast Asia, we went collectively as a congressional group, representing the United States to pursue peace, to do as much as we can to help solve the problems that have to a degree plagued many Americans, and that is the MIA issue. All of us are dedicated 100 percent to try as best as we can to resolve that particular problem.

All of us have visited the Vietnam Veterans Memorial. I have taken my children to it. PETE was talking about 25 years ago when he was shot down, and he has an anniversary every year that he relives. That anniversary is commensurate with his thoughts about our comrades who did not return.

So the main focus of this trip was to renew a sense of urgency by this Government to bring to some resolution as quickly as we can and as competently as we can and as compassionately as we can the problem of MIA's in Southeast Asia.

I would like to tell the American people that we have done a great deal, and we are doing a great deal to continue to pursue that particular issue.

When Mr. CARPER told me about the trip, it was to look at the infrastructure that this Government had created since 1973, and to pursue that. We have taken a very close look at that infrastructure, and we are making many recommendations.

We have seen some very fine, skilled, professional people on the ground in Southeast Asia that are dedicated to resolving this issue, and we want to be a part of this team to continue this process.

I have also seen some renewed cooperation and some new cooperation on the part of the government of Southeast Asia. We wanted to become a part of the solution to that horror that took place in Cambodia with the genocide, and our Government is pursuing that, I think in a very fine, competent, skilled, methodical way. We also made some recommendations and we want to be a part of that.

The last thing, as a result of our trip we began to discuss the possibility in the near future of discussing the ending of the embargo with Vietnam and renewing diplomatic relations. We think we are on the right track.

We want to make sure that people understand that our first priority is the MIA issue, and that anything we recommend revolves around that.

In the context of that statement, our recommendation for discussions on ending the embargo and renewing diplomatic relations, it is our intent that that will go a long way in helping us with the MIA issue.

Mr. CARPER, it was a fine trip. I want to thank you for asking me to come on board. We had some wonderful experiences while we were there, one I will just recite, maybe two, very quickly.

One, I went to the prisoner of war camp that Congressman PETERSON stayed in for so many years. It was an experience that I want to thank him for allowing me to share on that particular day in Hanoi. We get a sense, a closeness to our comrades left behind. We were committed more than ever to resolving that issue.

The other one was PETE was talking about 50 percent of the population is under the age of 20. As we were leaving the zoo, PETE as you call it, a few youngsters came up and began to tug on my shoulders. One of the them said, "Travicheck." I looked at him. "Travicheck. How are you today? I am an American."

In a matter of seconds, there were 40 or 50 young people and young adults around with a curiosity about what are these Americans doing here? Throughout all of the trouble we have had in the last 40 or 50 years, our two peoples can still come together in peace. It is a new age. It is a new generation.

Mr. Speaker, we want to put the past to rest, that bitterness that divided us, for the purpose of coming together to solve our problems.

□ 1550

I thank the gentleman from Delaware [Mr. CARPER] again for allowing

us to go on this trip. I think we have made great progress.

Mr. CARPER. WAYNE GILCHREST, we are fortunate that he was able to change his schedule to be a part of it, a valuable part of it.

Mr. KOLBE. Mr. Speaker, will the gentleman yield?

Mr. CARPER. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Speaker, I appreciate the gentleman yielding to me again, just very briefly.

We have had an opportunity for five of the six of us who made this trip to share some of our thoughts here today, and I want to just say a word about the sixth member of our delegation, Congressman JAY RHODES, who happens to be a colleague of mine from the State of Arizona. I know that the gentleman from Arizona [Mr. RHODES] wishes that he could be with us here today, and I know that all of us, my colleagues and certainly the five of us, share the sorrow of him and his family at the passing of his father-in-law yesterday which has taken him out of this city.

I think I speak for all of my colleagues in saying that he has contributed a great deal also to this trip; his wry sense of humor, his one-liners, his quick to shoot down pompousness on the part of any Member or any staff person was always very quick in doing that.

While I am speaking about the Members who went, I think we would also, and I know my other colleagues would want to say something about this, too, pay very special tribute to our staff people who went along. A member of the staff of the gentleman from Delaware [Mr. KARPER], Liz Ryan, who did such a tremendous job in helping all of the logistics for this trip. A member of my staff, Laurie Fenton, who did yeoman's work during the course of this trip, particularly with regard to media and some of the details while we were on the trip. And Ralph Ibson, from the Committee on Veterans' Affairs, who also contributed tremendously to our efforts and particularly in terms of writing up the results of our meetings so that we had an ongoing record.

I also want to pay very special tribute to Capt. Don Nash from the Congressional Liaison Office of the U.S. Navy who was our escort and did a tremendous job for us and the plane crews, both of the planes that we had to use. We were traveling so rapidly, so frequently, we had to have a second plane as a backup when we were moving more rapidly than the minimum 15 hours rest that the crews required in each of the places.

That was necessary for us, in order to accomplish everything we needed to do during that week, to have some additional air support services, and they really did an outstanding job.

I think all of them are to be commended for the work that they did.

I would like to just, if I might, the story that was shared by the gentleman from Maryland [Mr. GILCHREST] reminds me of one that some of the other Members had. As a matter of fact, at the same time that they were visiting the prisoner of war camp or prison site in Hanoi, some of the others of us went to a site where prosthetics are being done for those Vietnamese who were wounded during the course of the conflict and now have lost an arm, a leg, sometimes a multiple loss of limbs.

I think all of us that were on that visit realized just how much help is needed by the Vietnamese people to recover here almost 20 years later, in some cases more than 20 years later, from these terrible war injuries and their lack of medical services.

I think we realize that in a very human way that there is much that we can do as one people to reach out to these people of Southeast Asia, of Vietnam, who like all of us in a sense have been made victims of this war.

Now as we put that war behind us, I think it is appropriate that we reach out and try to make sure that there is the kind of medical services, kind of assistance in fitting prosthetics for these people so that they can go about resuming as much as possible a normal life.

As they, I think, resume physically a normal life, I think that symbolizes the fact that our people on both sides who suffered in this war, who fought in this war, can also resume a normal life and have a normal relationship between our two peoples.

Again, I thank the gentleman from Delaware for this special order and for the opportunity to talk.

Mr. CARPER. The gentleman from Arizona [Mr. RHODES] served in Vietnam as Army Intelligence. He was an adviser to the Vietnamese. He brought to our congressional delegation a valuable perspective given the nature of his service in Vietnam and was a terrific addition to our team.

Mr. SKAGGS. Mr. Speaker, will the gentleman yield?

Mr. CARPER. I yield to the gentleman from Colorado.

Mr. SKAGGS. Mr. Speaker, I wanted to reinforce the remarks that Mr. KOLBE made about the staff that we had backing us up on this trip and in many ways leading us. We get to come over here and do a special order. We get to do the press conferences; the Members get the spotlight. Staff do the tough, bonewearying work to make it all possible. And certainly Liz Ryan from the staff of the gentleman from Delaware [Mr. CARPER], Laurie Fenton from the staff of the gentleman from Arizona [Mr. KOLBE], Ralph Ibson from the Committee on Veterans' Affairs staff, and particularly Capt. Don Nash. There just is no way to say enough about what those folks did in making this trip worthwhile, serious and successful.

I won't single out anybody, but it was a remarkable effort by those folks to make our use of time as meaningful as it was.

I wanted to just pick up on one thing that the gentleman from Florida [Mr. PETERSON] said about what is going on in that part of the world. We have been so preoccupied with the Soviet Union and Eastern Europe and the magnificent transformations occurring there. But clearly, as the gentleman suggested, the significance in Southeast Asia of what is happening in Europe and the Soviet Union and Eastern Europe should not be lost on us.

The Vietnamese, the Laotians, the Cambodians know that their patrons from the Soviet Union are heading north at a fast clip, and they are having to reorient themselves for their own survival interests, economically and otherwise.

They are not anxious to be dominated by the People's Republic of China for all sorts of historic reasons. They are not anxious to be dominated economically by Japan for other good historic reasons. And they are anxious, therefore, from their own enlightened political and economic self-interest to restore good relations with the West.

We can look as hard as we want at ulterior motives, as reasons for mistrust and all the rest. And I do not mean to suggest that there are not reasons for us to be as hardnosed as possible in dealing with the folks in Indochina, but we do need in our own enlightened self-interest to be aware of how motivated they are, because of the political and economic changes in the world, to reach out now.

It would be foolish and counterproductive if we did not seize the opportunity that these world events present to us to move toward a reconciliation, toward a renewal of more constructive relations, and ultimately for establishing the conditions in which we can really put to rest the gnawing questions having to do with the men that we lost in that part of the world.

I hope and believe that our trip has made a contribution to that.

Mr. PETERSON of Florida. Mr. Speaker, will the gentleman yield?

Mr. CARPER. I yield to the gentleman from Florida.

Mr. PETERSON of Florida. Mr. Speaker, I certainly have to get my word in with the others on the help of the staff. They were absolutely marvelous.

In fact, I think a couple of them, when we pulled out of Hanoi for the second time, virtually collapsed from exhaustion after having been on the stress mill for that long. I think we would be remiss in not making sure that everyone understands that we talked to the Vietnamese about a num-

ber of other issues that we have not specifically attributed to the MIA/POW issue. One is the reeducation camps of some of the allies, our former allies, the ARVN and some of the governmental officials that served with us during the war.

The former allies are not being treated in Vietnam equally, and we asked very sternly that the Vietnamese look at that to, from a humanitarian issue, make sure, ensure that those former allies of America have in fact the same opportunities for advancement, not only for themselves but their families as well.

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Too, we looked at the orderly departure program that is in fact designed to bring out some of our former allies, and that is going on. And we were pleased to see frankly how well the State Department was working on that program. That is one of the things that we think that probably they could take greater credit for success.

The Ameurasian program, a very strong program in Vietnam, just outside of Ho Chi Minh City. We visited that facility and those people are indeed doing an admirable job as well.

Finally, let me just say, and I believe I can say this without any reservation, my colleagues in what we call the Nampows organization are absolutely adamant that we want a full accounting on the MIA issue in Vietnam, and Laos, and Cambodia, and virtually I think all of us would be willing to do whatever is necessary, a sacrifice of our own lives, wealth or whatever it might be to help bring that to a conclusion.

Again, TOM, my admiration for your superb leadership, and certainly great counsel to myself. I look forward to working with you in the future.

Mr. CARPER. I thank the gentleman very much.

Let me just say in conclusion that we have mentioned the names of the four staff people who went along on this trip, Liz Ryan, Laurie Fenton, Ralph Ibsen, as well as Capt. Don Nash, and they were ably assisted by a young seaman, Mike Mills, from the Congressional Liaison Office, and we want to thank Mike for his help and cooperation also.

We comprised a 6-member congressional delegation with terrific staff support. We were probably one of the more serious congressional delegations that has been put together, certainly the most serious-minded that I have had the pleasure of traveling with in my 9 years in the Congress.

When delegations come home there is still followup that needs to be done, and that is certainly the case in this instance. We have, as I suggested earlier, begun a series of debriefings.

We have met with the leadership of CINCPAC, we have met with the Secretary of Defense, Mr. Cheney, and found him most receptive to the recommendations we have made. We met today with senior officals in the State Department, and we hope to meet soon with National Security Council representatives and perhaps the Secretary of State, too. Later this evening we will be meeting with the senior official from the Lao Foreign Ministry who is in our country, and this is part of the followup. It is not going to just end tonight, this week, or this month. This is MIA/POW Recognition and Remembrance Week. We are not just going to remember today, or tomorrow, or for the remainder of this week. We plan to remember and to remind our colleagues and others in the Government and in our country for the balance of this month, this year, next year or for as long as it takes or as long as we need to move down the road toward resolving to closure on this subject.

The SPEAKER pro tempore (Mr. MCMILLEN of Maryland). The time of the gentleman from Delaware [Mr. CARPER] has expired.

POW/MIA RECOGNITION AND REMEMBRANCE WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Colorado [Mr. SKAGGS] is recognized for 5 minutes.

Mr. SKAGGS. Mr. Speaker, in order to continue on the special order previously begun by the gentleman from Delaware [Mr. CARPER], I yield to the gentleman from Delaware for the purpose of completing his statement.

Mr. CARPER. I thank the gentleman from Colorado.

One of the cornerstones of our recommendations to American officials, to the Secretary of Defense, to the State Department, and to others is that we have to remove this veil of secrecy about our operations in Southeast Asia and what we have done as a government to try to follow up on life sightings and get to the bottom of this issue.

During the time that we were en route to Southeast Aisa a team of Americans was in the capital of Cambodia trying to find the truth about a series of photos that were widely publicized in this country. During the early part of August, thanks to the cooperation of the Soviets in Phnom Penh, the capital of Cambodia, and thanks to the cooperation of the Cambodians as well, three different photos, the alleged United States POW's, three photos, the source of the three photos was found by our people, and it was found to be a Soviet publication, of all things. And the photos literally were taken of photographs within that publication, listed, changed, revised in order to indicate that they were American POW's.

Just this past week, and I might say we met in Laos with a number of officials, and we asked particularly on two cases for which photos have been recently circulated, and we asked for assistance from the Laotian Government, and we have learned this week that American officials have met with a Lao national, an ethnic tribesperson I understand from the Bru Tribe in Laos, a person who has really the fellow in the photograph that was alleged to be an American held against his will. Those are the types of activities going on in Cambodia, in Laos and in Vietnam. Too little is being said about those activities.

A great deal of attention is given to photographs as they surface, and there is sensationalism and so forth, and I understand and appreciate the anxiety of the families. But it is important when we have people who are doing a good job of tracking down the truth and ferreting it out that we get the word out to the American people.

Let me conclude also by thanking Chairman GONZALEZ of the Banking Committee and Chairman MONTGOMERY of the Veterans' Affairs Committee whose support and cooperation in putting this delegation together and making it possible for us to travel in Southeast Asia I think we could not have done without. Without their help I do not believe we could have done it.

Lastly, let me just conclude by saying, and it is to reiterate because it has already been said, but I think it needs to be said again, changes we saw in Vietnam and Laos were remarkable to me. We found two economies that are moving with deliberate speed from a command economy, from a centrally commanded, centrally run Communist kind of a economy toward a market economy. And trends and reforms that were adopted literally during our stay I think are helping to hasten that transformation.

I was struck by the wramth of the welcome we received in Cambodia, and Laos, and Vietnam, as we as a country were party to the death of roughly 1 million Vietnamese. We lost 56,000. They lost close to a million. We have 2,300 missing in action. They have 200,000. We have people who still bear the wounds, have the loss of their limbs. They have 100,000 amputees in Vietnam.

Despite that, the warmth of the welcome from the highest levels of their Government to the man and woman in the street struck me and still remains in my memory. They want normal relations. They want better, warmer relations with us in this country.

I will conclude by again saluting my colleagues and to say how pleased I was to be a part of this delegation, and I thank each of you for taking time from what could have been a congressional recess when you could have been with your own families to do something that

I hope is something positive for the families of those men and women who served in Vietnam and who never came home. I believe what we have done will make a difference not just for better relations with our country and the countries we visited, but hopefully to help provide a measure of peace of mind for the 2,300 American families who have not had that peace of mind they want and deserve.

Mr. Speaker, I yield back the balance of my time.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mrs. LLOYD (at the request of Mr. GEPHARDT) for today, on account of illness.

Mr. SAXTON (at the request of Mr. MICHEL) for September 16 and 17, on account of a broken collarbone.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. DORNAN of California) to revise and extend their remarks and include extraneous material:)

Mr. MICHEL, for 5 minutes, today.

Mr. GEKAS, for 5 minutes, today.

Mr. EMERSON, for 5 minutes, on September 23.

Mr. MCEWEN, for 60 minutes, today.

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mr. PALLONE, for 5 minutes, today.

Mr. OWENS of Utah, for 5 minutes, today.

Mr. ROEMER, for 5 minutes, today.

Mr. BACCHUS, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

Mr. FALEOMAVAEGA, for 60 minutes each day, on September 24 and 25.

Mr. BRUCE, for 60 minutes each day, on September 24 and 26, October 1, and 3.

Mr. OWENS of New York, for 60 minutes each day, on September 23, 24, 25, 26, 27, and 30, October 1, 2, 3, 4, 7, 8, 9, 10, 11, 15, 16, 17, 18, 21 22, 23, 24, 25, 28, 29, 30, and 31.

(The following Members (at his own request) to revise and extend his remarks and include extraneous material:

Mr. SKAGGS, for 5 minutes, today.)

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. DORNAN of California) and to include extraneous matter:)

Mrs. ROUKEMA in two instances.

Mr. EWING.

Mr. COX of California.

Ms. ROS-LEHTINEN.

Mr. BUNNING.

Mr. RIDGE.

Mr. MYERS of Indiana.

Mr. CUNNINGHAM.

Ms. MOLINARI.

(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)

Mr. KANJORSKI.

Mr. FALEOMAVAEGA.

Mr. ROE.

Mr. JACOBS.

Mr. BARNARD.

Mr. DONNELLY.

Mr. DOWNEY.

Mr. KOSTMAYER.

Mr. SKELTON.

Mr. TRAFICANT.

Mrs. LOWEY of New York.

Mrs. SCHROEDER.

Mr. ATKINS.

Mr. PENNY.

Mr. MCMILLEN of Maryland.

Mr. SMITH of Florida.

Mr. LAFALCE.

Mr. LEHMAN of Florida.

Mr. GUARINI.

Mr. HOYER.

Mr. EDWARDS of California.

ADJOURNMENT

Mr. SKAGGS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 7 minutes p.m.) under its previous order, the House adjourned until Thursday, September 19, 1991, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2085. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to revise certain provisions of section 5240 of the Revised Statutes relating to the examination and supervision of national banks and the expense thereof; to the Committee on Banking, Finance and Urban Affairs.

2086. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the Corporation's study of directors' and officers' liability insurance and fidelity bonds; to the Committee on Banking, Finance and Urban Affairs.

2087. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed Letter(s) of Offer and Acceptance [LOA] to Thailand for defense articles and services (Transmittal No. 91-51), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2088. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Air Force's proposed Letter(s) of Offer and Acceptance [LOA] to Korea for defense articles and services (Transmittal No. 91-52), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2089. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to Korea for defense articles and services (Transmittal No. 91-50), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2090. A letter from the Director, Defense Security Assistance Agency, transmitting notification of the Department of the Army's proposed Letter(s) of Offer and Acceptance [LOA] to Kuwait for defense articles and services (Transmittal No. 91-49), pursuant to 22 U.S.C. 2776(b); to the Committee on Foreign Affairs.

2091. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of the Department's intention to provide assistance to the Baltic States from fiscal year 1991 funds; to the Committee on Foreign Affairs.

2092. A communication from the President of the United States, transmitting a report on the status of efforts to obtain compliance by Iraq with the resolutions adopted by the U.N. Security Council (H. Doc. No. 102-140); to the Committee on Foreign Affairs and ordered to be printed.

2093. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notice of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

2094. A letter from the Secretary of Health and Human Services, transmitting the department's report on ways of promoting vocational rehabilitation and helping Social Security disability beneficiaries return to work; to the Committee on Ways and Means.

2095. A letter from the Assistant Secretary of Defense, transmitting the Department's environmental consideration during weapons systems acquisition report; jointly, in the Committees on Armed Services and Appropriations.

2096. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting a report on the transfer of property to the Republic of Panama under the Panama Canal Treaty of 1977 and related agreements, pursuant to 22 U.S.C. 3784(b); jointly, to the committees on Foreign Affairs and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GONZALEZ: Committee on Banking, Finance and Urban Affairs. H.R. 2900. A bill to improve supervision and regulation with respect to the financial safety and soundness of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Home Loan Bank System, and for other purposes; with an amendment (Rept. 102-206). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL: Committee on Education and Labor. H.R. 1674. A bill to amend the Communications Act of 1934 to reauthorize the Federal Communications Commission

and for other purposes; with an amendment (Rept. 102-207). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GIBBONS:

H.R. 3347. A bill to repeal the prohibition on the importation of gold coins from the Soviet Union; to the Committee on Ways and Means.

By Mr. COYNE (for himself and Mr. SHAW):

H.R. 3348. A bill to amend the Internal Revenue Code of 1986 to provide a full exemption from the volume cap on private activity bonds for bonds used to finance high-speed intercity rail facilities; to the Committee on Ways and Means.

By Mr. CUNNINGHAM (for himself, Mr. HUNTER, Mr. LOWERY of California, and Mr. PACKARD):

H.R. 3349. A bill to amend title 10, United States Code, and title XVIII of the Social Security Act to permit the reimbursement of expenses incurred by a medical facility of the uniformed services or the Department of Veterans Affairs in providing health care to persons eligible for care under the Medicare Program or the Civilian Health and Medical Program of the Uniformed Services; jointly, to the Committees on Armed Services, Ways and Means, Energy and Commerce, and Veterans' Affairs.

By Mr. EDWARDS of California (for himself and Mr. HYDE):

H.R. 3350. A bill to extend the U.S. Commission on Civil Rights; to the Committee on the Judiciary.

By Mr. FALEOMAVAEGA (for himself and Mr. DE LUGO):

H.R. 3351. A bill to establish the American Samoa Study Commission; to the Committee on Interior and Insular Affairs.

By Mr. MCMILLEN of Maryland:

H.R. 3352. A bill to establish a market based pricing mechanism for deposit insurance and offer depositors the option of purchase amounts in excess of $100,000, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Ms. MOLINARI (for herself, Ms. SNOWE, Mrs. MORELLA, Mr. GREEN of New York, Mrs. JOHNSON of Connecticut, Mr. SOLOMON, Ms. ROS-LEHTINEN, Mr. GEKAS, Mr. HORTON, Mr. BOEHLERT, Mr. RAMSTAD, Mr. RAVENEL, Mr. HOBSON, Mr. KLUG, and Mr. PAXON):

H.R. 3353. A bill to establish a Glass Ceiling Commission and an annual award for promoting a more diverse skilled work force at the management and decisionmaking levels in business, and for other purposes; to the Committee on Education and Labor.

By Mr. PENNY (for himself, Mr. RAHALL, Mrs. MORELLA, Ms. KAPTUR, and Mr. ACKERMAN):

H.R. 3354. A bill to amend the Higher Education Act of 1965 to improve the eligibility of less-than-half-time students for Federal student assistance programs, and for other purposes; to the Committee on Education and Labor.

By Mr. PETERSON of Minnesota:

H.R. 3355. A bill to amend the Internal Revenue Code of 1986 to restore the investment tax credit, allow a deduction for certain capital gains, extend and increase the deduction for health insurance costs of self-employed individuals, restore income averaging, modify the corporate and individual income tax rates, and reduce Social Security taxes and remove the ceiling on wages subject to such taxes; to the Committee on Ways and Means.

By Mrs. ROUKEMA:

H.R. 3356. A bill to amend the Federal Home Loan Bank Act to provide refinancing for the Resolution Trust Corporation, restructure the Corporation, and extend the effectiveness of certain amendments made to the affordable housing program of the Corporation, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SUNDQUIST:

H.R. 3357. A bill to amend the United States Code with respect to waivers of indebtedness and settlement of claims through the Department of Veterans' Affairs Home Loan Guaranty Program; to the Committee on Veterans' Affairs.

By Mr. TORRICELLI:

H.R. 3358. A bill to require the Bureau of Prisons to study the feasibility and cost-effectiveness of using prefabricated modular units for prison facilities; to the Committee on the Judiciary.

By Mr. WILLIAMS:

H.R. 3359. A bill to amend the Geothermal Steam Act of 1970 (30 U.S.C. 1001-1027) and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BOUCHER (for himself and Mr. BOEHLERT):

H.R. 3360. A bill to amend the Federal Fire Prevention and Control Act of 1974 to promote the use of automatic sprinklers, or an equivalent level of fire safety, and for other purposes; jointly, to the Committees on Science, Space, and Technology, Banking, Finance and Urban Affairs, and Public Works and Transportation.

By Mr. COUGHLIN (for himself and Mr. HUGHES):

H.R. 3361. A bill to provide for testing for the use, in violation of law or Federal regulation, of alcohol or controlled substances by persons who operate aircraft, trains, and commercial motor vehicles, and for other purposes; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By Mr. HAYES of Illinois (for himself and Ms. NORTON):

H.R. 3362. A bill to amend the Higher Education Act of 1965 to establish programs for minority foreign service professional development; to the Committee on Education and Labor.

By Mr. JENKINS:

H.R. 3363. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to individual investment accounts, and for other purposes; to the Committee on Ways and Means.

By Mr. PAYNE of New Jersey:

H.R. 3364. A bill to reauthorize and revise certain provisions of the Higher Education Act of 1965 in order to strengthen access to higher education opportunities for low-income students and minority students, especially African-Americans, and for other purposes; to the Committee on Education and Labor.

By Mr. MICHEL (for himself and Mr. HOYER):

H.J. Res. 326. Joint resolution designating the month of November 1991, as "National Accessible Housing Month"; to the Committee on Post Office and Civil Service.

By Mr. LAUGHLIN (for himself and Mr. CALLAHAN):

H.J. Res. 327. Joint resolution designating 1992 as the "Year of the Gulf of Mexico"; to the Committee on Post Office and Civil Service.

By Mr. HOYER:

H.J. Res. 328. Joint resolution providing that the United States should support the Armenian people to achieve freedom and independence; to the Committee on Foreign Affairs.

By Mr. DONNELLY (for himself, Mr. STUDDS, Mr. FRANK of Massachusetts, Mr. EARLY, Mr. NEAL of Massachusetts, Mr. KENNEDY, Mr. MAVROULES, and Mr. MOAKLEY);

H. Con. Res. 203. Concurrent resolution expressing the sense of the Congress that the Secretary of the Army should investigate whether James L. Cadigan should be awarded the Congressional Medal of Honor for heroism in combat during World War II; to the Committee on Armed Services.

By Mr. MCEWEN:

H. Con. Res. 204. Concurrent resolution concerning compensation for United States assistance to the Soviet Union and successor states; to the Committee on Foreign Affairs.

By Mr. SMITH of New Jersey (for himself, Mr. BROOMFIELD, Mr. WOLF, and Mr. ROHRABACHER):

H. Con. Res. 205. Concurrent resolution urging all parties in Yugoslavia to cease further use of force and engage fully and in good faith in negotiations on the future of Yugoslavia; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII.

276. The SPEAKER presented a memorial of the House of Representatives of the State of Texas, relative to military longevity, retired pay, and service-connected disability compensation; to the Committee on Veterans' Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 53: Mr. GILLMOR, Mr. MCMILLEN of Maryland, Mr. PAYNE of New Jersey, Mr. HAYES of Illinois, Ms. HORN, Mr. KOSTMAYER, Mr. STUMP, Mr. TOWNS, Ms. DELAURO, Mr. OWENS of New York, Mr. QUILLEN, and Mrs. LLOYD.

H.R. 78: Mr. MCCANDLESS.

H.R. 330: Mr. FALEOMAVAEGA, Mr. LEHMAN of Florida, and Mr. WYLIE.

H.R. 371: Mr. ROTH.

H.R. 385: Mr. JOHNSON of South Dakota.

H.R. 574: Mr. OBERSTAR.

H.R. 576: Mr. DAVIS, Mr. THOMAS of Georgia, Mr. PAYNE of New Jersey, Mr. VENTO, Mr. MILLER of Ohio, Ms. NORTON, Mr. STUMP, Mr. BARNARD, Ms. DELAURO, and Mr. MCCANDLESS.

H.R. 706: Mr. SARPALIUS.

H.R. 723: Mr. DARDEN.

H.R. 856: Mr. SMITH of New Jersey, Mr. BUSTAMANTE, and Mr. ROYBAL.

H.R. 1005: Mr. UPTON.

H.R. 1167: Mr. MARKEY.

H.R. 1168: Mr. DICKS, Mr. CUNNINGHAM, Mr. RHODES, and Mr. OWENS of Utah.

H.R. 1293: Ms. NORTON, Mr. ESPY, Mr. SIKORSKI, and Mr. WYDEN.

H.R. 1300: Mr. ATKINS.

H.R. 1393: Mr. LEHMAN of Florida.

H.R. 1446: Mr. CONYERS.

H.R. 1457: Mr. GOSS, Mr. DERRICK, Mr. FORD of Tennessee, Mr. SPRATT, Mr. TAYLOR of Mississippi, and Ms. SNOWE.

H.R. 1497: Mr. ACKERMAN.

H.R. 1527: Mr. WISE and Mr. ESPY.

H.R. 1541: Mr. PALLONE.

H.R. 1546: Mr. STUMP.

H.R. 1547: Mr. PORTER.

H.R. 1565: Mr. FISH.

H.R. 1618: Mr. ERDREICH, Mr. RIGGS, Mr. FRANK of Massachusetts, Mr. TAUZIN, Mr. MARTINEZ, Mr. SISISKY, Mr. EWING, Mr. COMBEST, Mr. WEBER, Mr. DORNAN of California, Mr. MILLER of Washington, Mr. DEFAZIO, Mr. HAMMERSCHMIDT, Mr. KOLBE, Mr. ZELIFF, Mr. LEVIN of Michigan, Mr. PALLONE, Mr. WYLIE, and Mrs. UNSOELD.

H.R. 1623: Mr. GIBBONS.

H.R. 1624: Mr. GIBBONS.

H.R. 1753: Mr. GALLEGLY.

H.R. 1782: Mr. MORRISON.

H.R. 1809: Mr. EWING.

H.R. 1900: Mr. WILSON, Mr. LIVINGSTON, Mr. CLINGER, Mr. EMERSON, Mr. LANCASTER, Mr. KOPETSKI, Mr. DANNEMEYER, Mr. PERKINS, Mr. ROE, Mrs. LLOYD, Mr. MARTINEZ, and Mr. ROEMER.

H.R. 2215: Mrs. BOXER, Mr. EVANS, Mr. FASCELL, Mr. FROST, Mr. LAFALCE, Mr. OLIN, and Mrs. SCHROEDER.

H.R. 2231: Mr. COX of Illinois.

H.R. 2248: Mr. SUNDQUIST, Ms. KAPTUR, Mr. WYLIE, Mr. SIKORSKI, Mr. PARKER, and Mr. EDWARDS of Texas.

H.R. 2257: Mr. FAWELL.

H.R. 2291: Mr. FALEOMAVAEGA.

H.R. 2407: Mr. ROTH, Mr. DOOLITTLE, Mr. MORRISON, Mr. HAYES of Illinois, Mr. BORSKI, Mr. OWENS of Utah, and Mr. BROOMFIELD.

H.R. 2463: Mr. MCCRERY and Mr. CHAPMAN.

H.R. 2553: Mr. TAYLOR of Mississippi, Mr. LUKEN, and Mr. GEKAS.

H.R. 2598: Mrs. LLOYD, Mr. STUMP, and Mr. TAYLOR of North Carolina.

H.R. 2624: Mr. ROE, Mr. JOHNSON of South Dakota, and Ms. DELAURO.

H.R. 2643: Mr. BOUCHER, Mr. GALLEGLY, and Mr. RHODES.

H.R. 2646: Mr. FOGLIETTA and Mr. ESPY.

H.R. 2664: Mr. LANCASTER and Mr. RIGGS.

H.R. 2774: Mr. FAZIO, Mr. DYMALLY, Mr. LEWIS of Georgia, Mr. MARTINEZ, Mrs. UNSOELD, Mr. MFUME, Mr. SANDERS, Mr. SABO, Mrs. SCHROEDER, and Mr. ACKERMAN.

H.R. 2779: Mr. CONYERS, Mr. ACKERMAN, Mr. PEASE, and Mr. LAFALCE.

H.R. 2781: Mr. CONYERS, Mr. ACKERMAN, Mr. PEASE, and Mr. LAFALCE.

H.R. 2798: Mr. LEACH, Mr. HUGHES, Mr. HARRIS, Mr. MORRISON, Mr. BOUCHER, Mr. ALEXANDER, Mr. TALLON, Mr. ROSE, Mr. JOHNSON of South Dakota, Mr. LAROCCO, Mr. GUNDERSON, Mr. WALSH, Mr. DEFAZIO, Ms. KAPTUR, Mr. MURTHA, Mr. FOGLIETTA, Mr. SHUSTER, Mr. OLIN, and Mr. PAYNE of Virginia.

H.R. 2863: Mr. ZIMMER and Mr. SENSENBRENNER.

H.R. 2872: Mr. SERRANO and Mr. DELLUMS.

H.R. 2880: Mr. JOHNSTON of Florida, Mr. LEVIN of Michigan, Mrs. MORELLA, and Mr. SPRATT.

H.R. 2915: Mr. ALLARD, Mr. WEBER, Mr. JAMES, Mr. OXLEY, Mr. FAWELL, and Mr. SKEEN.

H.R. 2958: Mr. ZIMMER and Mr. SENSENBRENNER.

H.R. 3011: Mrs. MEYERS of Kansas, Mr. CAMPBELL of Colorado, Mr. COLEMAN of Missouri, Mr. OLIN, Mr. ORTON, and Mr. LANCASTER.

H.R. 3023: Mr. LIVINGSTON.

H.R. 3062: Mr. SHAYS.

H.R. 3071: Mr. GILLMOR, Mr. OLIN, Mr. HUNTER, Mr. SPRATT, Mr. FOGLIETTA, Mr. GEREN of Texas, Mr. BENNETT, Mrs. PATTERSON, Mr. WHITTEN, Mr. BAKER, Mr. PAYNE of Virginia, Mr. RHODES, Mr. SANDERS, Mr. DERRICK, Mr. HUTTO, Mr. HASTERT, Mr. BARNARD, and Mr. FAWELL.

H.R. 3130: Mr. HANCOCK, Mr. SENSENBRENNER, Mr. GILCHREST, Mr. SMITH of Texas, Mr. ZELIFF, Mr. ALLARD, Mr. HENRY, Mr. UPTON, and Mr. WEBER.

H.R. 3150: Mr. SMITH of Florida, Mr. PAYNE of Virginia, and Mr. EVANS.

H.R. 3164: Mr. MACHTLEY and Mr. JEFFERSON.

H.R. 3187: Mr. TOWNS, Mr. HORTON, Ms. WATERS, Mr. DELLUMS, Mr. JACOBS, Mr. SANDERS, Mr. BONIOR, Mr. FROST, Mr. CHAPMAN, Mr. LANCASTER, Mr. RANGEL, Mr. EVANS, and Mr. LAFALCE.

H.R. 3192: Mr. EWING.

H.R. 3228: Mr. BROWN and Mr. WASHINGTON.

H.R. 3236: Mr. REED, Mr. ERDREICH, Mr. LAFALCE, Mr. HERTEL, and Mr. FALEOMAVAEGA.

H.R. 3250: Ms. NORTON, Mr. SMITH of Florida, Mr. CONYERS, Mr. JONTZ, Mr. BRUCE, Mr. EVANS, Mr. JEFFERSON, and Mr. PEASE.

H.R. 3278: Mr. BURTON of Indiana and Mr. ACKERMAN.

H.R. 3311: Mr. TOWNS, Mr. RANGEL, and Mr. HORTON.

H.J. Res. 140: Mr. STAGGERS, Mr. SOLOMON, Mr. PAYNE of Virginia, Ms. PELOSI, Mr. SAVAGE, Mr. TOWNS, Mr. GUARINI, Mr. LEVINE of California, Mr. MARTINEZ, Mr. BILIRAKIS, Mr. LOWERY of California, Mr. HOYER, Mr. OLIN, Mr. CRAMER, Mr. WALSH, Ms. SNOWE, Mr. SUNDQUIST, Mr. FORD of Tennessee, Mr. JENKINS, and Mr. PAXON.

H.J. Res. 143: Mr. BILBRAY.

H.J. Res. 189: Mr. OBERSTAR, Mr. COBLE, Mr. STENHOLM, Mr. PACKARD, Mr. HENRY, Mrs. UNSOELD, Mr. WISE, Mr. YATRON, Mr. WYLIE, Mr. BARNARD, Mr. BILIRAKIS, Mr. GRANDY, Mr. GOODLING, Mr. DIXON, Mr. DORGAN of North Dakota, Mr. FALEOMAVAEGA, Mr. GEKAS, Mr. GUNDERSON, Mr. HERTEL, Mr. GALLO, Mr. HASTERT, Mr. HANSEN, Mr. BORSKI, Mr. FRANKS of Connecticut, Mr. MICHEL, Mr. MATSUI, Mr. VENTO, Mr. HOUGHTON, Mr. HUNTER, Mr. HYDE, Mrs. JOHNSON of Connecticut, Mr. KOSTMAYER, Mr. LANTOS, Mr. MILLER of Ohio, Mr. MOLLOHAN, Mr. RHODES, Mr. BRUCE, Mr. SMITH of Oregon, Mr. KENNEDY, Ms. MOLINARI, Mr. NAGLE, Mr. BATEMAN, Mr. OXLEY, Mr. BOEHLERT, Mr. WEBER, and Mr. ACKERMAN.

H.J. Res. 216: Mr. FISH.

H.J. Res. 223: Mr. DREIER of California.

H.J. Res. 227: Mr. MFUME, Mr. MOODY, Mr. SPENCE, Mr. WEISS, Mr. SMITH of New Jersey, Mr. BOEHLERT, Mr. GONZALEZ, Mr. MCEWEN, Mr. FLAKE, Mr. ORTON, Mr. FRANKS of Connecticut, Mr. MAZZOLI, Mr. GORDON, Mrs. MEYERS of Kansas, Mr. PARKER, Mr. REGULA, Mr. HANSEN, Mr. COOPER, Mrs. PATTERSON, Mr. WISE, Mr. PICKETT, Mr. GALLO, Mr. BREWSTER, Mr. STARK, Mr. KANJORSKI, Mr. LENT, Mr. RAMSTAD, Mr. ROEMER, Mr. HARRIS, Mr. RITTER, Mr. HUGHES, Mr. LIVINGSTON, Mr. SAXTON, Mr. MONTGOMERY, Mr. WILSON, Mr. CLINGER, Mr. FALEOMAVAEGA, Mrs. UNSOELD, Mr. ERDREICH, Mr. OBEY, Mr. MACHTLEY, Mr. VANDER JAGT, Mr. LUKEN, Mr. LAUGHLIN, Mr. NEAL of North Carolina, Mr. LANTOS, and Mr. CAMP.

H.J. Res. 230: Mr. QUILLEN, Mr. WOLF, Ms. KAPTUR, Mr. FASCELL, Mr. WALSH, Mr. SKEEN, Mr. FUSTER, Mr. VENTO, Mr. APPLEGATE, Mr. FOGLIETTA, Mr. GEJDENSON, Mr. LAFALCE, Mr. HERTEL, Mr. MAVROULES, Mr. GREEN of New York, Mr. GALLEGLY, Mr. MARTIN, Mr. GOODLING, Mr. GRANDY, Mr. SOLOMON, Mr. SCHIFF, Mr. MCCOLLUM, Mr. PURSELL, Mr. DANNEMEYER, Mr. SHAW, Mr. BROOMFIELD, Mr. LAGOMARSINO, Mr. RIGGS, Mr. HOUGHTON, Mr. JACOBS, Mr. ZIMMER, Mr. ORTIZ, Mr. ZELIFF, Mrs. MEYERS of Kansas, Mr. MILLER of Ohio, Mr. VANDER JAGT, Mr. BEREUTER, Mr. DICKINSON, Mr. SPENCE, Mr. RAMSTAD, Mr. FISH, Ms. MOLINARI, Ms. SNOWE, Mr. HYDE, Mr. FLAKE, Mr. BARRETT, Mr. MILLER of Washington, and Mr. ROTH.

H.J. Res. 242: Mr. SHAW, Mr. GEKAS, and Mr. HERTEL.

H.J. Res. 258: Mr. HAMILTON.

H.J. Res. 273: Mr. SCHAEFER, Mr. VENTO, Mr. SWETT, Mr. KASICH, Mr. BAKER, Mr. BARNARD, Mr. JEFFERSON, and Mr. ACKERMAN.

H.J. Res. 284: Mr. LENT, Mr. OWENS of New York, Mrs. PATTERSON, Mr. SABO, Mr. BUSTAMANTE, Mr. PRICE, and Mr. FRANKS of Connecticut.

H.J. Res. 316: Mr. SKELTON, Mr. QUILLEN, Mr. JEFFERSON, Mr. WALSH, Mr. MCNULTY, Mr. BLILEY, Mr. EMERSON, Mr. CALLAHAN, Mr. MCMILLEN of Maryland, Mr. MATSUI, Mr. ERDREICH, Mr. DWYER of New Jersey, Mr. DICKINSON, Mrs. MORELLA, Mr. BROWDER, Mr. OWENS of Utah, Mr. HALL of Texas, Mr. MFUME, Mr. VALENTINE, Mr. MARKEY, Mr. GREEN of New York, Mr. SPENCE, Mr. YOUNG of Alaska, Mr. YATRON, Mr. MCCLOSKEY, Mr. LIPINSKI, and Mr. MILLER of Washington.

H.J. Res. 324: Mr. BLILEY and Mr. HAMILTON.

H. Con. Res. 194: Mr. SANDERS, Mr. CRAMER, Mr. JACOBS, Mr. OXLEY, Mr. PENNY, Mr. BEREUTER, Mr. GOSS, Mr. HENRY, and Mr. SKEEN.

H. Con. Res. 198: Mr. EVANS.

H. Res. 205: Mr. JEFFERSON.

H. Res. 222: Mr. GUNDERSON, Mr. BROWN, Mr. BOEHNER, Mr. PETERSON of Minnesota, Mr. WEBER, Mr. STALLINGS, Mr. BARRETT, Mr. JOHNSON of South Dakota, Mr. WALSH, Ms. KAPTUR, Mr. VENTO, Mr. SIKORSKI, Mr. GRANDY, Mr. BEREUTER, Mr. EMERSON, Mr. THOMAS of Georgia, and Mr. HALL of Ohio.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 261: Mr. MCMILLAN of North Carolina.

H.R. 1092: Mrs. BOXER.

H.R. 2946: Mr. COBLE.

PETITIONS, ETC.

Under clause 1 of rule XXII,

122. The SPEAKER presented a petition of the American Association of Law Libraries, relative to opposing fees for the redistribution of Government tariff information; which was referred jointly, to the Committees on Merchant Marine and Fisheries and Ways and Means.

SENATE—*Tuesday, September 17, 1991*

(Legislative day of Tuesday, September 10, 1991)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. Let us pay reverence to the Supreme Governor of the world. The Senate will be led in prayer by the Senate Chaplain, Reverend Dr. Richard C. Halverson.

Dr. Halverson, please.

PRAYER

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

Let us pray:

For the love of money is the root of all evil * * *. I Timothy 6:10.

* * * *thou shalt remember the Lord thy God: for it is He that giveth thee power to get wealth* * * *.—Deuteronomy 8:18.

God of our fathers, Who inspired our forebears with a vision for a new kind of political system never before known, help us to interpret wisely the times in which we live. Godless communism promised that the dictatorship of the proletariat would ultimately bring blessing to the masses. Instead, it produced an exclusive elite with extraordinary power which lived off the fat of the land while the masses went hungry, if they were not destroyed by the elite.

Out of Godless capitalism seems to be emerging an elite of power and wealth, indifferent to the poverty, the hunger, the hopelessness of the people. Remove from our eyes that which blinds us to the perilous nature of Godlessness. Awaken our minds from the slumber that insensitizes us to the social decay like an epidemic all around us. As our Founding Fathers needed Thee, mighty God, so in these critical, desperate times we need Thee. Restore our Nation, Government, and people to the faith that gave us our unprecedented governmental system.

In the name of the King of kings and Lord of lords. Amen.

RESERVATION OF LEADER TIME

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

MORNING BUSINESS

The PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 9:30 a.m., with Senators permitted to speak therein for not to exceed 10 minutes each.

Who seeks recognition?

Mr. COHEN addressed the Chair.

The PRESIDENT pro tempore. The Senator from Maine [Mr. COHEN] is recognized.

Mr. COHEN. I thank the Chair.

(The remarks of Mr. COHEN pertaining to the introduction of S. 1718 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ADAMS addressed the Chair.

The PRESIDENT pro tempore. The Senator from Washington [Mr. ADAMS].

ISRAELI HOUSING LOAN GUARANTEES

Mr. ADAMS. Mr. President, I want to lend my voice today to the chorus of supporters of the Israeli loan guarantee request. Quite frankly, I am amazed and disappointed that there is any disagreement over this matter. When the President announced his intention to delay the request, it appeared that we would have to argue timing. Now that the President has not only threatened to veto any measure, but has also gone back on his initial support of the request, it appears that we are going to have to argue the substance as well.

The substance is quite simple. This is a loan guarantee, and it will not cost the U.S. taxpayers a single dime. In addition, American Jewish groups all over the country are raising money, billions of dollars, to assist in this and, I am sure, if necessary, to cover any possible losses. But Israel will not default. Historically, the Israeli Government has always paid its debts.

This is not a new issue. We enacted the Jackson-Vanik amendment in 1973, sponsored by my dear friend and former colleague, former Senator Henry Jackson, of the State of Washington, to condition most-favored-nation status for the Soviet Union on the freedom of emigration for Soviet Jews. And we remain committed to their freedom to resettle in Israel.

Mr. President, it has been said that those who forget the mistakes of the past will be condemned to repeat them. In June 1939, the passenger carrier *St. Louis* was denied the right to dock in the United States. Over 900 German Jewish refugees returned to Europe, and lost their lives in the Holocaust. The urgent need for housing loan guarantees exists in Israel right now, today, and should not be delayed.

As everyone in this Chamber knows, many of us have spent hours and days in Moscow and other places getting one person at a time out of the Soviet Union. The window is open at this period of time. That is why we must move quickly, because we do not know what is going to happen in the U.S.S.R., in Russia, or in any of the other republics.

Ironically, I believe everybody in this body is committed to the principle of freedom of emigration. The loan guarantee contributes directly to this principle. And every one of us, no doubt, supports convening a peace conference to resolve the many bitter issues that divide the Middle East.

The administration would have us believe—and I do not know why they keep trying to do this—that the Israeli Government request will jeopardize the Arab States' willingness to cooperate in the conference. Yet this has never been verified by Arab sources. To my knowledge, the subject of loan guarantees have never been mentioned as an obstacle to the peace process. In fact, the subject of Israeli settlement policy—a far more contentious issue—has never been mentioned as an obstacle to Arab participation in this particular context. In other words, there has been no linkage. Rather, it is the administration that has made the loan guarantee a subject for controversy and an issue in the peace conference.

We hear much discussion of the Arab States' willingness or reluctance to join the U.S. initiative. What of Israel's willingness? The absorption of new Jewish immigrants—whether from the Soviet Union, Eastern Europe, or Ethiopia—is central to the State of Israel and its philosophy. Our own country was founded on the same principle. Continuing immigration is not negotiable. Settlements are. But that is an issue for the conference itself.

United States opposition to the construction of new settlements is well-known and has been a component of our Middle East Policy for several administrations. The truth of the matter is that President Bush, by picking this fight now, will strengthen the hard-liners in Israel—those who support massive settlement construction and who would never give up land in the West Bank or Gaza for peace. And that just might jeopardize Israel's willingness to negotiate.

A few weeks ago, we seemed very close to an agreement that would finally bring all parties to the table. The only outstanding issue was the makeup of the Palestinian delegation. Now there is one more outstanding issue—one that could totally torpedo the

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

talks—and it is one that the administration has created.

We are talking here about humanitarian assistance. Ever since the adoption of the Jackson-Vanik amendment when Scoop Jackson made free emigration of Soviet Jews a cornerstone of United States-Soviet relations, we have pledged our assistance to carrying out this policy. We have pushed for relaxation of Soviet restrictions, and now that has happened. And we pledged our assistance to Israeli absorption, and that is what this $10 billion loan guarantee is all about. Now our dreams of freer Soviet emigration are coming true—faster than we have ever expected—and at this critical moment the administration is backing off.

Israel has already delayed its request several months at the administration's behest. But the emigrants cannot and should not wait one more moment. They are coming and the money is needed. All that Israel is asking of us is to provide a guarantee to the banks.

This is not foreign aid. This is not a handout. And those who have tried to portray the guarantees as taking money away from domestic programs here in the United States have done a profound disservice to the public debate. Even if the administration were successful in defeating the loan guarantees, there would not be a single cent more available for domestic spending. The current budget agreement makes any such transfers between foreign and domestic accounts impossible.

For the last 40 years, Israel has been our staunchest ally in the region. This was amply proven during the gulf war, when Israel held its fire under attack in deference to United States wishes. Since that time, the administration has rewarded Egypt for its role in the war by forgiving $7 billion in official debt.

And I supported that, Mr. President, at the request of the leadership and at the request of the administration, and I am pleased to have done so. It has rewarded Turkey with hundreds of millions of dollars in supplementary military and economic assistance. Additional aid to Israel was approved last spring, but only at congressional insistence. And now the Bush administration is balking at being asked to guarantee—not to provide, but simply to guarantee—loans to be used to settle Soviet emigrants. If the administration will not act, the Congress must.

Mr. President, let us put this ugly confrontation behind us. Loan guarantees for Israel should be considered and approved now, without further delay. We owe it to the Soviet Jews who seek a new life. We owe it to our friend and ally, Israel. And we owe it to the principles that we hold dear—freedom of emigration, humanitarianism, and loyalty.

MAJOR LEAGUE BASEBALL IN SEATTLE: AN ENDANGERED SPECIES

Mr. ADAMS. Mr. President, I commend the junior Senator from Washington for his excellent review of the history of baseball in Seattle in his speech to the Seattle Rotary Club on September 4. The Mariners are a major part of our northwest sports culture and an important part of our economy. I will be working with the junior Senator on legislation to assure that the Mariners continue to play and prosper in Seattle and the Pacific Northwest.

I ask unanimous consent that the text of Senator GORTON's speech to the Seattle Rotary Club be printed in the RECORD.

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

MAJOR LEAGUE BASEBALL IN SEATTLE: AN ENDANGERED SPECIES

(Speech given by Senator Slade Gorton to the Seattle Rotary Club, September 4, 1991)

"Though some American League owners have expressed disgust at the Seattle situation and openly have opted for transfer of the Seattle franchise, the league as a unit is reluctant to take action * * *."

This familiar-sounding line appeared in *The Seattle Times* on January 25, 1970—more than 20 years ago, and only about two months before the Pilots were spirited away to Milwaukee. Milwaukee is a somewhat smaller metropolitan area than Seattle, and one with a far more restricted broadcast media market.[1]

Today, we may be no more than two months away from an attempt to move the Seattle Mariners to Tampa-St. Petersburg, Florida—a metropolitan area considerably less populous than Seattle, with a more restricted market,[2] and with an average annual disposable income of 3,000 dollars a family less.

What does Tampa-St. Petersburg have that Seattle lacks?

First, a newer domed stadium with an operating subsidy of almost 2 million dollars a year from the City of Tampa.

Second, commitments to a prospective major league baseball team for 23,000 season tickets—four times the number sold for the current Mariners' season, and more than twice the goal of the "Ms Mean Business" campaign for 1992.

Third, far more potential income from luxury suites and executive stadium boxes—in contrast to Seattle, where more than half of the Kingdome suites lie empty for the Mariners' season.

Fourth, a guaranteed local television and cable television agreement worth between 8 and 10 million dollars a year, compared with a 1.7 million dollar a year contract here in Seattle.

Fifth, the assurance of 30 years of admission tax rebates from the State and City, together with assurance of what is called "the best lease" in major league baseball.

Sixth, and most important, potential local ownership that is willing to put up 95 million dollars for an expansion franchise and 20 to 30 million dollars more for the inevitable operating losses of such a franchise during its first several years.

Footnotes at end of article.

People in Tampa can see—as well as we can here—the impact that the Mariners do have on Seattle and could have on Tampa. Those impacts are both tangible and intangible.

The leading intangible is the fact that having a major league baseball team bestows "major league" status on a city. Seattle is a consummately "livable" town in no small measure because of the Mariners. Beyond that, we think of ourselves as major leaguers, and others perceive us in that fashion as well. In a way, major league baseball contributes in a manner similar to the city's art and cultural ambience—and is almost as unlikely to show an annual net profit in monetary terms.

With each issue that comes before me as a United States Senator, I ask this question first: "How will this affect economic opportunities for people and families in Washington State?" The answer here is: "A great deal." The overall economic impact of major league baseball in Seattle exceeds 100 million dollars a year. It leads to nearly 2,000 direct and indirect jobs—primarily in the service sector—for people who have a relatively limited set of economic opportunities. And the Mariners are a feature of the region that helps private employers recruit and retain the qualified employees they need to succeed.

Plainly stated, it is in our economic own self-interest to keep the Mariners in Seattle. The business and governmental communities in Tampa and St. Petersburg are prepared to act on this understanding to bring the team to their community, while those in Seattle have not done so yet to a degree that will assure that the Mariners will remain here. The time for the Tampa-St. Petersburg brand of decisive action by Seattle's leaders is now.

One final introductory point: Only one city has ever twice lost a major league baseball franchise. That community—Washington, D.C.—is one with which I have some familiarity. It has almost double the population of Seattle, is the eighth largest metropolitan area in the United States, sold 35,000 season tickets for an anticipated expansion franchise, and was turned down flat for such a franchise by the National League. Washington, D.C. is the only metropolitan area in the nation's top 19 without a major league baseball team.

It is safe to say that, if Seattle loses a major league baseball franchise for the second time, it will not see major league baseball again during the lifetime of any person in this room.

So what is the prescription?

First, let me tell you about three proposals which I do not believe to be likely to hold major league baseball in Seattle.

In 1970, after the departure of the late lamented Seattle Pilots, I, as Attorney General, began a lawsuit against the American League on behalf of the State, King County, and the City. I retained Bill Dwyer to prosecute that litigation. Six years later, in the midst of trial, the American League agreed to create the Mariners franchise solely as a result of the novelty and brilliance of Bill Dwyer's management of that litigation. That marks the only example, to the best of my knowledge, of the creation of a major league franchise in any sport through litigation. That lightning should strike twice in the same place seems to me highly unlikely. Although it is remotely possible that the departure of the Mariners might be delayed by going to court, it is impossible to imagine that baseball can be preserved over the long-term in this community through litigation. If it is to be preserved, that preservation will

take place by reason of community action—not court decisions.

A second solution discussed from time to time is the repeal of organized baseball's exemption from federal anti-trust laws. The Supreme Court of the United States is almost certain not to reverse its own precedents in this respect. Legislation to strip baseball of its exemption has been proposed for decades without ever coming close to passage. But even if baseball were subjected to federal anti-trust laws, the change would be more likely to contribute to the departure of the Mariners than it would to their retention. For example, the National Football League enjoys no exemption from federal anti-trust laws, and that league's refusal to allow the transfer of the Oakland Raiders to Los Angeles resulted in a huge verdict in favor of the now Los Angeles Raiders against the rest of the league. The result has been that neither the National Football League nor the National Basketball Association has attempted to limit the transfer of franchises from one city to another since the date of that verdict. Without baseball's anti-trust exemption, the Mariners would be free to leave—even if the American League disagreed.

The third alternative that will not solve Seattle's problems in the immediate future is the proposal to require the sharing of local television revenue on an equal basis among all major league baseball teams in a manner similar to that practiced by the National Football League. That is a consummation devoutly to be wished for, but difficult to attain.

Seattle is, of course, not the only city that has a baseball team that operates in the red. Other small-market teams are also falling on hard financial times. Major league baseball faces significant internal pressure to implement some type of revenue-sharing system for these teams to succeed in the future. As Marge Schott, owner of the Cincinnati Reds, said, "We will not have baseball in small towns like Cincinnati. We can't compete with what New York gets from cable. It's going to be that baseball is only going to be in the big cities." Even Fay Vincent has recognized that there is a problem. he said, "Baseball is poised for a catastrophe, and it might not be far off."

A six-member task force appointed by baseball's owners and players is in the process of investigating the economics of major league baseball, and will report early next year. As a result, we may see some form of revenue-sharing by the middle or the end of this decade, but at a time far too distant to solve Seattle's current problems.

Of course, as a condition for retaining baseball's anti-trust exemption, the Congress could require such revenue sharing. I have prepared a bill that would set just such requirements, and I will advocate for it vigorously. But I must tell you that the chances of passing such legislation soon are remote, to put it mildly. Not only will the bill face the opposition of the owners of profitable teams—and their members in Congress from the most populous states—but it will also be opposed by the representatives of every community that thinks it may gain from a situation in which franchises are readily removable—and there are always more such communities than there are those afraid of losing their teams. Revenue-sharing is the best long-term solution for Seattle and for organized baseball, but attaining it will be difficult and time consuming.

As a result, it is clear that the immediate solution to retaining the Mariners must be found in the business and governmental communities of Seattle, King County, and the State of Washington. Our governmental entities must be willing to offer incentives comparable to those offered by competing communities. But the primary responsibility for keeping the Mariners in Seattle belongs to the private sector—to which the balance of my remarks are directed.

One such private-sector solution is the attempt dramatically to increase the sale of season tickets. I have only the greatest admiration for those who are spearheading the "Ms Mean Business" campaign. But if it reached twice the goal it has set for itself, it would—in all probability not greatly change the financial disadvantages under which the team, given its present capital structure, operates in Seattle. In other words, it is significant, and should go forward, but it would not be a solution standing alone.

A second opportunity that has generated extensive discussion in Seattle concerns the revenue received by the Mariners for local television and cable television coverage. At 1.7 million dollars per year, the Mariners rank last among all major league baseball franchises. Experts in the field estimate that the value of the team's local television contracts, on a strictly commercial basis, may now have increased to between 3 and 4 million dollars a year—still well below the average of other franchises in metropolitan areas roughly comparable to Seattle in population. Such an increase would only marginally improve the Mariners' income statement.

Here, however, is an opportunity for our corporate community. I propose that the corporate community persuade its members to guarantee a minimum of 8 to 10 million dollars a year in television revenues to the Mariners, and to utilize the resulting advertising in any way those corporate sponsors like. Some of this time could be sold to purely commercial advertisers; the balance could be for institutional advertising or for public service. All would be tax-deductible, and would be analogous to the sponsor's charitable and cultural contributions.

Still, a simple increase in television revenues, standing alone, will not be sufficient to guarantee the retention of major league baseball in this community for the foreseeable future. Moreover, it would represent a corporate investment without any management interest or control in return.

Another and more promising proposal that has surfaced recently is the purchase of a minority interest in the Mariners by local business enterprises for a price approximately equal to that of the loan to the Mariners which has been called by Security Pacific Bank.

In this connection, it is interesting to note that the interest on that loan of slightly less than 40 million dollars must be very close to the lower end of the 5 to 10 million dollars in losses that we are told is the fate of the Mariners even in this their most successful season. The conversion of that debt capital into equity clearly would cause a significant and permanent improvement in the Mariners' bottom line. When that change is combined with the one-time collusion obligation, we can see a Mariners' income statement sheet that is fairly close to break-even.

Nevertheless, I am left with this question: Even if the Seattle business community could be persuaded to invest upwards of 40 million dollars for a non-controlling interest in a baseball team, and perhaps several million dollars a year additionally for ticket and television advertising purchases, it would seem to get very little in the way of directly tangible benefit from such investments. Nor has that course been the pattern of stabilizing other shaky franchises around the country.

The best solution to the challenge facing the Mariners is majority local ownership—with Jeff Smulyan if possible, but without him if necessary. Record results on the field and at the gate attest to the skill of the Smulyan management team. But the fact remains that the team is under-capitalized and controlled by out-of-towners.

We have two examples of rescue efforts to follow, both of which have been successful. The first is Minneapolis, where a team almost certain to be lost to Tampa-St. Petersburg was restored first by a community organizing effort and second by the success of that effort in finding a single individual with the willingness and ability to purchase and operate a major league baseball franchise. Minneapolis, I emphasize, is a slightly smaller metropolitan area than Seattle. Such an effort should be mounted here.

Because there are relatively few such individuals in Seattle, the second example—that of Pittsburgh—is perhaps more relevant. There, eight corporations and three individuals combined together to purchase the Pirates and to guarantee sufficient operating capital to keep the team in Pittsburgh for the foreseeable future.

Majority local ownership has been the key to the success of baseball franchises in other smaller metropolitan areas. In my opinion, that should be the primary goal in the search for stability for the Seattle Mariners franchise. It is impossible for me to conceive that Boeing, Burlington Northern, Microsoft, Weyerhaeuser, Nintendo, our huge banks, and a dozen other corporations will turn out to be so much less concerned with their community, or so much more limited by their direct business concerns, than are their precise counterparts in Pittsburgh. What Tampa, Minneapolis, and Pittsburgh can do, Seattle can do.

I am committed to work for the passage of federal legislation to address the problem, and I stand ready to assist in any other appropriate way. But it is our business leaders who must step forward if a local ownership consortium is to be created. It may not seem fair—indeed, it may not be fair—that so few people and businesses must bear the burden of keeping the Mariners in Seattle when the benefits will be enjoyed by so many. But, the Bible says—and I believe—that ". . . from whom much is given, much will be required."

I have discussed the economic impact of baseball in Seattle—the dollars and the jobs. These impacts are substantial and important. But this issue goes beyond dollars. Keeping the Mariners in Seattle is an emotional issue for people everywhere in this state. Tomorrow night, when the Mariners play in Boston, tens of thousands of people will listen intently on their radios or watch the game on TV—and tens of thousands more will open their newspapers on Friday to see the results of the game—because the Mariners are a part of their lives, and through the Mariners, they are connected to the joy of baseball—to Babe Ruth, Willie Mays, Joe DiMaggio, and our own Ken Griffey Jr.

Baseball can and should be saved in Seattle, because baseball can work here, and because the benefits to the community far outweigh the costs.

But the importance of saving the Mariners goes way beyond just assuring economic opportunities. People—fans—in Seattle and all across the state care deeply about the team, its stars, and their success. The passion and

commitment of the fans to our team demand a commensurately vigorous fight to save the Mariners.

The time is short, the money and the skills are available, the occasion is important, and the time to start is now.

FOOTNOTES

[1] Comparative population data and major league baseball franchise information for the largest Consolidated Metropolitan Statistical Areas in North America:

United States rank	City	Population	Baseball franchises
1	New York	18,100,000	2
2	Los Angeles	14,500,000	2
3	Chicago	8,100,000	2
4	San Francisco-Oakland.	6,300,000	2
5	Philadelphia	5,900,000	1
6	Detroit	4,700,000	1
7	Boston	4,200,000	1
8	Washington, D.C	3,900,000	0
9	Dallas	3,900,000	1
10	Houston	3,700,000	1
—	Toronto	3,600,000	1
11	Miami	3,200,000	(1)
—	Montreal	2,900,000	1
12	Atlanta	2,800,000	1
13	Cleveland	2,800,000	1
14	Seattle	2,600,000	1
15	San Diego	2,500,000	1
16	Minneapolis-St. Paul.	2,500,000	1
17	St. Louis	2,400,000	1
18	Baltimore	2,400,000	1
19	Pittsburgh	2,200,000	1
20	Phoenix	2,100,000	0
21	Tampa-St. Petersburg.	2,100,000	0
22	Denver	1,800,000	(1)
23	Cincinnati	1,700,000	1
24	Milwaukee	1,600,000	1
25	Kansas City	1,600,000	1

[1] Indicates National League franchises awarded for the 1992 season.

Note.—Rank based on data compiled by the U.S. Bureau of the Census for "Consolidated Metropolitan Statistical Areas"; excludes Canadian cities. Population for U.S. CMSAs as of April 1990; for Canadian cities as of June 1990.

[2] The Tampa-St. Petersburg-Clearwater, Florida area has 500,000 fewer people than Seattle; its market is limited on the north by Atlanta, and will be limited on the south by the new Miami franchise.

Mr. DANFORTH addressed the Chair.

The PRESIDENT pro tempore. The Senator from Missouri [Mr. DANFORTH] is recognized.

Mr. DANFORTH. Mr. President, I would very much appreciate it if the Chair could tell me after I have consumed 5 minutes.

The PRESIDENT pro tempore. The Chair will so indicate to the Senator when the time has expired.

JUDGE CLARENCE THOMAS

Mr. DANFORTH. Mr. President, yesterday Judge Clarence Thomas concluded his 5 days of testimony before the Senate Judiciary Committee. It was, in my view—admittedly a biased view—a remarkable performance. For 5 days, Clarence Thomas sat before the committee answering many, many questions; judiciously, I think, declining to answer some other questions. Throughout the 5 days, he showed a consistent temperament, which will equip him well to serve on the Supreme Court.

One of the things that was truly remarkable to me was how much Clarence Thomas knows on a whole variety of subjects that are within the purview of the Supreme Court.

Here is a person, after all, who has spent most of the last 10 or 12 years not in the judicial branch but in the executive branch of government, dealing with one particular subject matter—employment opportunity. Yet he demonstrated a broad knowledge of matters that come before the Supreme Court.

Before the hearing began, Mr. President, all Members of the Judiciary Committee indicated that they had not made up their minds on how they would end up voting on Judge Thomas' confirmation, and that they would wait and see what happened at the hearings. I must say that it is difficult for me to understand how, on the basis of the 5 days of hearings, anybody who had previously decided to oppose Judge Thomas would oppose him. He did extraordinarily well before the committee and, rather than give people reasons for voting against him, in the opinion of this Senator, gave reasons for voting for him.

Some have said that the problem with the hearing was that Judge Thomas did not say enough. There certainly were times, particularly with respect to the question of the abortion issue, Roe versus Wade, when the judge simply declined to say how he would vote on a matter that would come before the Court. I think two things should be said in this regard.

The first is that it truly is improper for a judge to say, in effect, if you vote for my confirmation I will vote such and such a way when I get to the Court. That approach would compromise the independence of the judge, and of the judiciary, more broadly. So I think it is necessary for a judge to decline to give the impression that he has made up his mind before the case even comes to the Court, before the arguments have been made, before the briefs have been written.

He stated that he had his mind open on the Roe versus Wade issue and he stated further that he had not expressed even a personal view on the subject. And a number of people said, how can this be? I can only say that I have known this man 17 years; he worked for me twice. I have talked to people who have worked with him, shoulder to shoulder over that 17 years. I have found nobody who knows or has heard Clarence Thomas express even a personal opinion on the subject of abortion. And I think, had he done so, that information certainly would have surfaced during the last 2½ months.

The judge has said that there is a difference in role between being a policymaker and being a judge. I think that that is manifestly correct. Those of us who are in the political arena have a whole array of political opinions or personal opinions about a wide variety of subjects. That is not to say that, if we were to become judges, we would do so with a view of trying to import those philosophical or political ideas into the judicial fabric of the country.

The essence of judicial conservatism is that a judge exercise restraint in imposing his views on the people of the country through the bench.

The PRESIDENT pro tempore. The Senator has completed 5 minutes.

Mr. DANFORTH. Mr. President, I thank the Chair.

I would add only this, the experience I have gone through the last 2½ months has been, to say the least, a fascinating experience. It was fascinating to have the opportunity, for example, to sit in on the Judiciary Committee on the other side of the table; fascinating to have the experience of visiting some 59 Senators in their offices, of getting to know colleagues in a different light, and of getting to know this man, Clarence Thomas, whom I have known for so long so much better. And I thought that I knew him well before this process started.

I am extraordinarily impressed by him. I think that most objective observers must be impressed by him, and I look forward to his confirmation by the Senate.

The PRESIDENT pro tempore. The Senator from Nevada, Mr. REID.

Mr. REID. Mr. President, I ask unanimous consent the Senator from Nevada be allowed to speak for 7 minutes. It would mean extending morning business by approximately 2 minutes.

The PRESIDENT pro tempore. The Chair hears no objection. The Senator's request is granted.

THE PHILIPPINES

Mr. REID. Mr. President, in the spring of 1942, as a tidal wave of disaster swept away Allied forces in Asia a flotilla of tiny boats crept south, away from the besieged island fortress of Corrigidore.

Even as those PT boats began what was to be the first steps in America's long trail back to the Philippines, thousands of American prisoners of war, together with their Filipino brothers-in-arms, walked another and even more difficult trek. They marched with death itself as their constant companion on the road from Bataan and Corrigidor to Japanese POW camps. Many would never come home, and of those who did, many were shattered in body or mind.

Even as he traveled to Australia, by small boat, and plane and later by train, there was one thought always in the mind of that man for whom those tiny craft had made their race against death itself. "I shall return."

The promise was Douglas MacArthur's, but it was also the promise of the United States of America. We promised to come back and liberate the

Philippines from the iron grip of Japanese conquest and local collaboration, and return we did in October 1944.

But, Mr. President, although we returned in 1944, many Americans never left. There were those who were held as prisoners in the brutal confines of Japanese camps, or interned to starve at Santo Thomas University, but there were also others. Men like Wendell Fertig, Chick Parsons, and R.W. Volkman, who fought with and helped lead the guerrilla movement that never for a moment allowed the lamp to go out, men who kept the light of freedom alive when all seemed most hopeless and other weaker men had given up or sold out or were actively collaborating with the enemy.

America returned not as a conqueror but as a liberator. America has stayed in the Philippines at the air and naval bases built to defend Asia against the Empire of Japan, not as an occupier but as an invited guest.

In the 1950's, when the Huk rebellion threatened Philippine independence we were there with aide and advice. In the 1960's when communism was spreading like a cancer through Southeast Asia, it was American boys and American blood which stood to halt that reign of terror. In the 1980's, when the Philippines were in the grip of two-bit corrupt dictator, it was American diplomacy and American support for democracy which helped the people topple that thug and his cronies.

And throughout the years, Mr. President, it has been American muscle and American money which have built the defensive ring which has shielded the Philippine Islands from outside aggression and internal subversion.

And what have we asked in return? Have we seized land? Have we taken assets? Have we exploited resources? The answer is no to every one of those questions. We have sought only to pursue one goal; to foster and defend democracy.

Now, the world has changed. In what seems to be the blink of an eye the threat of Communist subversion has been, if not eliminated, at least emasculated. We have done our job in the Philippines and done it with dignity and honor.

And what honors have we been granted by that grateful nation? What laurels have been heaped on our brow? What songs of praise written in honor of Americans whose blood has been on the soil of Asia for this past half century so that Filipinos might breathe free air? What thanks have we been given for our sacrifices?

We have been evicted by a majority of the Philippine Senate from the very bases we built to defend their nation.

Mr. President, I take some pride in my study of history. It is not always a bad thing for a victorious leader to be turned out of office immediately after success in war. The British voted out Prime Minister Churchill in 1945, and I have always looked on that vote as an example of the strength of democracy in our sister state across the seas.

If the Philippine Senate was motivated by a simple desire to withdraw from world affairs, to sit a spell and breath the free air we have won for them, and to try to resolve the pervasive violence, the demagoguery and the economic disparities which disfigure the face of their beautiful nation, I could understand their motivation. Every state has problems; every nation could use a respite free from the cares of the world to try to solve its own difficulties.

But such problem solving is not the motivating factor behind the vote of the Philippine Senate. Not at all. Rather, they are dissatisfied with the amount of money we have promised to pay them for the privilege of maintaining bases to defend their nation. They want more money. Mr. President, it is as simple and as crass as that.

I have an answer to that demand. To quote words first said in the 1790's and that have often been quoted in these Halls, "Millions for defense, not 1 cent for tribute."

Speaking as a Member of this body, I can promise you this. Whatever the outcome of the attempt to overturn this rapacious and shameful conduct, we should refuse to allow American soldiers and sailors to risk their lives on foreign shores where they are not welcomed with open arms and open hearts. Not one penny should go as payment for maintaining Subic Bay, Mr. President, neither as maintenance, or as salaries for civilian employees, or as so-called aid to the Government of the Philippines.

The time has come when the global threat of totalitarian forces is finally on the wane. We need not fight every fight, and assist any nation no matter how it treats its own people, only as long as its rulers pay lipservice to democracy. We have done in the Philippines what we needed to do. They do not welcome us any longer. They do not welcome any longer the sight of the flag that came ashore on the beach at Mindanao to keep the promise of freedom.

Let us leave, Mr. President, and go where we are wanted, where we are needed, where we are asked to come, or let us go nowhere at all. There are other nations which will still welcome our ships, our planes, and our troops as a guarantee of freedom, as a bulwark of democracy.

But as to the Philippines, Mr. President, let us depart as we have been asked. Let us leave, and we shall not return.

Mr. President, I ask those Members of this body to support a sense-of-the-Senate resolution introduced by Senator SIMON and this Senator saying that we should leave the Philippines. I yield the floor.

Mr. SIMON. Mr. President, I am, together with my colleague Senator REID, calling on the President to follow the wishes of the Philippine Senate in terms of our defense facility in the Philippines. I think we have to recognize some of the realities in the world today, and one of those realities, obviously, is the world threat has changed dramatically.

A second reality is that 40 years ago, we were 40 percent of the world's economy. Today we are 20 percent of the world's economy and yet we have basically the same defense bases around the world that we had 40 years ago. That, it seems to me, is not necessary.

We face fiscal problems, and if countries around the world do not want our bases and express that clearly through their legislative bodies, I think we ought to recognize and respect those wishes.

I think it helps us to face our fiscal problems in two ways: No. 1, it reduces the immediate costs on these bases and, No. 2, it makes it clear that we are not going to just pay any price. We, frankly, have been held up by some of these countries for exorbitant costs in what we are paying for having bases in these countries when we are providing the defense for these countries. If they do not want us, I think we should abide by their wishes.

Third, one of the realities is, and I served overseas in the Army, one of the realities is when you have foreign troops in a place with that base comes prostitution, comes other problems, problems that do not create the greatest public relations for the United States. So that to have an excessive number of troops stationed overseas I think is not a desirable thing. I am not suggesting that we withdraw from the rest of the world, but that we recognize the economics of the world today, that we recognize the political and military realities that have changed dramatically.

Our resolution praises Mrs. Aquino. It indicates our strong feeling of friendship for the people of the Philippines. In the Philippines, we face a problem that is slightly different from the problems, let us say, that we face in Spain or Greece or Turkey, or some of the other areas, because we were the colonizing power. And so I think we have to have an added sensitivity to the feeling of the people of the Philippines.

So Senator REID and I will be introducing a resolution that I think is just good common sense. I think it is good fiscal sense. I think it is good military sense, and it is good public relations for the United States.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. (Mr. KERRY). The period for morning business is now closed.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

The PRESIDING OFFICER. The Senate will now resume consideration of H.R. 2686, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2686) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1992, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Jeffords/Metzenbaum amendment No. 1138 (to committee amendment beginning on page 23, line 5), to increase grazing fees assessed to ranchers on Forest Service and Bureau of Land Management lands.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

Mr. BYRD. Mr. President, the request I shall now make has been cleared with both leaders. I ask unanimous consent that the Senate now proceed to the consideration of H.R. 2942, the Transportation appropriations bill.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2942) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1992, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which has 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. 2942

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 Department of Transportation and related agencies for the fiscal year ending September 30, 1992, and for other purposes, namely:

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

IMMEDIATE OFFICE OF THE SECRETARY

For necessary expenses of the Immediate Office of the Secretary, $1,435,000.

IMMEDIATE OFFICE OF THE DEPUTY SECRETARY

For necessary expenses of the Immediate Office of the Deputy Secretary, $550,000.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, **[$6,904,000]** *$7,204,000.*

OFFICE OF THE ASSISTANT SECRETARY FOR POLICY AND INTERNATIONAL AFFAIRS

For necessary expenses of the Office of the Assistant Secretary for Policy and International Affairs, $8,733,000.

OFFICE OF THE ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS

For necessary expenses of the Office of the Assistant Secretary for Budget and Programs, $2,726,000, including not to exceed $40,000 for allocation within the Department of official reception and representation expenses as the Secretary may determine.

OFFICE OF THE ASSISTANT SECRETARY FOR GOVERNMENTAL AFFAIRS

For necessary expenses of the Office of the Assistant Secretary for Governmental Affairs, **[$2,320,000]** *$2,468,000.*

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary expenses of the Office of the Assistant Secretary for Administration, $30,262,000, of which $6,323,000 shall remain available until expended.

OFFICE OF THE ASSISTANT SECRETARY FOR PUBLIC AFFAIRS

For necessary expenses of the Office of the Assistant Secretary for Public Affairs, $1,546,000.

EXECUTIVE SECRETARIAT

For necessary expenses of the Executive Secretariat, $965,000.

CONTRACT APPEALS BOARD

For necessary expenses of the Contract Appeals Board, $590,000.

OFFICE OF CIVIL RIGHTS

For necessary expenses of the Office of Civil Rights, $1,462,000.

OFFICE OF ESSENTIAL AIR SERVICE

For necessary expenses of the Office of Essential Air Service, $1,545,000.

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

For necessary expenses of the Office of Small and Disadvantaged Business Utilization, $3,527,000, of which $2,600,000 shall remain available until expended and shall be available for the purposes of the Minority Business Resource Center as authorized by 49 U.S.C. 332: *Provided,* That, notwithstanding any other provision of law, funds available for the purposes of the Minority Business Resource Center in this or any other Act may be used for business opportunities related to any mode of transportation.

OFFICE OF INTELLIGENCE AND SECURITY

For necessary expenses of the Office of Intelligence and Security, **[$1,200,000]** *$1,381,000.*

OFFICE OF DRUG ENFORCEMENT AND PROGRAM COMPLIANCE

For necessary expenses of the Office of Drug Enforcement and Program Compliance, $706,000.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, and development activities, including the collection of national transportation statistics, to remain available until expended, $3,100,000.

OFFICE OF COMMERCIAL SPACE TRANSPORTATION

OPERATIONS AND RESEARCH

For necessary expenses for operations and research activities related to commercial space transportation, **[$4,245,000]** *$4,300,000,* of which $1,400,000 shall remain available until expended: *Provided,* That notwithstanding any other provision of law, there may be credited to this account up to $300,000 received from user fees established for regulatory services.

WORKING CAPITAL FUND

Necessary expenses for operating costs and capital outlays of the Department of Transportation Working Capital Fund not to exceed **[$85,509,000]** *$98,472,000* shall be paid, in accordance with law, from appropriations made available by this Act and prior appropriations Acts to the Department of Transportation, together with advances and reimbursements received by the Department of Transportation.

PAYMENTS TO AIR CARRIERS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

For liquidation of obligations incurred for payments to air carriers of so much of the compensation fixed and determined under section 419 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1389), as is payable by the Department of Transportation, $38,600,000, to remain available until expended and to be derived from the Airport and Airway Trust Fund: *Provided,* That none of the funds in this Act shall be available for the implementation or execution of programs in excess of $38,600,000 for the Payments to Air Carriers program in fiscal year 1992**[**: *Provided further,* That none of the funds in this Act shall be available for service to communities not receiving such service during fiscal year 1991 or to increase the service levels to communities receiving service**]**.

RENTAL PAYMENTS

For necessary expenses for rental of headquarters and field space and related services assessed by the General Services Administration, $111,970,000: *Provided,* That of this amount, $16,225,000 shall be derived from the Highway Trust Fund, $29,887,000 shall be derived from the Airport and Airway Trust Fund, $481,000 shall be derived from the Pipeline Safety Fund, and $16,000 shall be derived from the Harbor Maintenance Trust Fund.

COAST GUARD

OPERATING EXPENSES

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for; purchase of not to exceed eight passenger motor vehicles for replacement only; payments pursuant to section 156 of Public Law 97-377, as amended (42 U.S.C. 402 note), and section 229(b) of the Social Security Act (42 U.S.C. 429(b)); and recreation and welfare; **[$2,483,800,000,]** *$2,443,100,000 is authorized to be appropriated, derived by transfer, or otherwise provided in "in kind" commodities and services for Coast Guard operating expenses in fiscal year 1992; of which $2,222,000,000 is hereby appropriated,* of which **[$30,379,000]** *$31,876,000* shall be derived from the Oil Spill Liability Trust Fund and $35,000,000 shall be expended from the Boat Safety Account: *Provided,* That the number of aircraft on hand at any one time shall not exceed two hundred and twenty-three, exclu-

sive of planes and parts stored to meet future attrition: *Provided further*, That none of the funds appropriated in this or any other Act shall be available for pay or administrative expenses in connection with shipping commissioners in the United States: *Provided further*, That none of the funds provided in this Act shall be available for expenses incurred for yacht documentation under 46 U.S.C. 12109, except to the extent fees are collected from yacht owners and credited to this appropriation: *Provided further, That none of the funds provided in this Act shall be available for the operation, maintenance or manning of LORAN-C radionavigation transmitters outside the boundaries of the United States, land-based and sea-based aerostationary balloons, or E2C aircraft.*

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

For necessary expenses of acquisition, construction, rebuilding, and improvement of aids to navigation, shore facilities, vessels, and aircraft, including equipment related thereto, [$365,031,000] *$407,470,000*, of which [$26,377,000] *$33,822,000* shall be derived from the Oil Spill Liability Trust Fund; of which [$132,700,000] *$152,250,000* shall be available to acquire, repair, renovate or improve vessels, small boats and related equipment, to remain available until September 30, 1996; [$86,950,000] *$58,900,000* shall be available to acquire new aircraft and increase aviation capability, to remain available until September 30, 1994; [$50,331,000] *$47,025,000* shall be available for other equipment, to remain available until September 30, 1994; [$62,550,000] *$110,225,000* shall be available for shore facilities and aids to navigation facilities, to remain available until September 30, 1994; and [$32,500,000] *$39,070,000* shall be available for personnel compensation and benefits and related costs, to remain available until September 30, 1992: *Provided*, That the Secretary of Transportation shall issue regulations requiring that written warranties shall be included in all contracts with prime contractors for major systems acquisitions of the Coast Guard: *Provided further*, That any such written warranty shall not apply in the case of any system or component thereof that has been furnished by the Government to a contractor: *Provided further*, That the Secretary of Transportation may provide for a waiver of the requirements for a warranty where: (1) the waiver is necessary in the interest of the national defense or the warranty would not be cost effective; and (2) the Committees on Appropriations of the Senate and the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Merchant Marine and Fisheries of the House of Representatives are notified in writing of the Secretary's intention to waive and reasons for waiving such requirements: *Provided further*, That the requirements for such written warranties shall not cover combat damage: *Provided further*, That none of the funds provided herein for Acquisition, Construction and Improvements shall be made available for personnel compensation and benefits in excess of six hundred and [twenty-one] *ninety-one* full time equivalent staff years[: *Provided further*, That of the thirty-five new staff years provided in this appropriation, at least twenty-five shall be filled by civilian personnel].

ENVIRONMENTAL COMPLIANCE AND RESTORATION

For necessary expenses to carry out the Coast Guard's environmental compliance and restoration functions under chapter 19 of title 14 United States Code, [$21,500,000] *$25,100,000*, to remain available until expended.

ALTERATION OF BRIDGES

For necessary expenses for alteration or removal of obstructive bridges, [$11,000,000] *$11,200,000*, to remain available until expended.

RETIRED PAY

For retired pay, including the payment of obligations therefor otherwise chargeable to lapsed appropriations for this purpose, and payments under the Retired Serviceman's Family Protection and Survivor Benefits Plans, and for payments for medical care of retired personnel and their dependents under the Dependents Medical Care Act (10 U.S.C. ch. 55), $487,700,000.

[RESERVE TRAINING

For all necessary expenses for the Coast Guard Reserve, as authorized by law; maintenance and operation of facilities; and supplies, equipment, and services; $77,000,000.]

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

For necessary expenses, not otherwise provided for, for applied scientific research, development, test, and evaluation; maintenance, rehabilitation, lease and operation of facilities and equipment, as authorized by law, [$27,800,000] *$29,500,000*, to remain available until expended: *Provided*, That there may be credited to this appropriation funds received from State and local governments, other public authorities, private sources, and foreign countries, for expenses incurred for research, development, testing, and evaluation.

BOAT SAFETY

(AQUATIC RESOURCES TRUST FUND)

For payment of necessary expenses incurred for recreational boating safety assistance under Public Law 92-75, as amended, $35,000,000, to be derived from the Boat Safety Account and to remain available until expended.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including administrative expenses for research and development, establishment of air navigation facilities and the operation and maintenance of aircraft, *reimbursement at the discretion of the Administrator for travel, transportation, and subsistence expenses for the training of non-Federal domestic and foreign personnel whose services will contribute significantly to carrying out air transportation security programs under section 316(c) of the Federal Aviation Act of 1958, as amended*, and carrying out the provisions of the Airport and Airway Development Act, as amended, or other provisions of law authorizing the obligation of funds for similar programs of airport and airway development or improvement, lease or purchase of four passenger motor vehicles for replacement only, [$4,342,000,000] *$4,382,058,000*, of which [$2,109,625,000] *$2,129,680,200* shall be derived from the Airport and Airway Trust Fund: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the maintenance and operation of air navigation facilities and for issuance, renewal or modification of certificates, including airman, aircraft, and repair station certificates, or for tests related thereto, or for processing major repair or alteration forms: *Provided further*, That none of these funds shall be available for new applicants for the second career training program: [*Provided further*, That, of the funds available under this head, $2,000,000 shall be made available for the Federal Aviation Administration to enter into contractual agreement with the Mid-American Aviation Resource Consortium in Minnesota to operate an air traffic controller training program:] *Provided further*, That funds may be used to enter into a grant agreement with a non-profit standard setting organization to assist in the development of aviation safety standards.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities as authorized by the Federal Aviation Act of 1958, as amended (49 U.S.C. App. 1301 et seq.), including initial acquisition of necessary sites by lease or grant; engineering and service testing including construction of test facilities and acquisition of necessary sites by lease or grant; and construction and furnishing of quarters and related accommodations of officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; and the purchase, lease or transfer of aircraft from funds available under this head; to be derived from the Airport and Airway Trust Fund, [$2,469,500,000, of which $682,523,000 shall be available for engineering development and related activities, to remain available until September 30, 1993; $1,135,429,000 shall be available for the procurement and modernization of air traffic control facilities and equipment and related activities, to remain available until September 30, 1994; $146,880,000 shall be available for the procurement and modernization of facilities and equipment not directly related to air traffic control, to remain available until September 30, 1994; $476,768,000 shall be available for facilities and equipment mission support activities, to remain available until September 30, 1994; and $27,900,000 shall be available for development, test and evaluation activities,] *$2,557,807,000* to remain available until September 30, 1993: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities: *Provided further*, That with appropriations made for the Airway Science program, as authorized below in this section, the Federal Aviation Administration may hereafter enter into competitive grant agreements with institutions of higher education having airway science curricula, for the Federal share of the allowable direct costs of the following categories of items, to the extent that such items are in support of airway science curricula: (a) the *construction*, purchase, or lease with option to purchase, of buildings and associated facilities, and (b) instructional materials and equipment. Such funds are hereby authorized to be appropriated and may remain available until expended. The Federal Aviation Administration shall establish guidelines for determining the direct costs allowable under grants to be made pursuant to this section. The maximum Federal share of the allowable cost of any project assisted by such grants shall be 50 percent[: *Provided further*, That the $35,000,000 provided under this head for the precision runway monitor program shall

be available only for the procurement of not less than five commissionable systems of the electronic scan (E-scan) design: *Provided further*, That for each seven-day period following March 31, 1992, that the E-scan precision runway monitor production contract is not signed, the funds made available for facilities and equipment-related personnel compensation and benefits shall be reduced by 1 per centum]*: Provided further, That a stand alone directional finder FAA-5530 receiver indicator system is to be installed at the Salisbury, Maryland airport flight service station within 180 days of enactment of this Act.*

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering, and development, in accordance with the provisions of the Federal Aviation Act of 1958, as amended (49 U.S.C. App. 1301 et seq.), including construction of experimental facilities and acquisition of necessary sites by lease or grant, [$218,000,000] *$225,120,000*, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering, and development.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(AIRPORT AND AIRWAY TRUST FUND)

For liquidation of obligations incurred for airport planning and development under section 14 of Public Law 91-258, as amended, and under other law authorizing such obligations, and obligations for noise compatibility planning and programs, $1,520,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the commitments for which are in excess of $1,900,000,000 in fiscal year 1992 for grants-in-aid for airport planning and development, and noise compatibility planning and programs, notwithstanding section 506(e)(4) of the Airport and Airway Improvement Act of 1982, as amended, of which not to exceed $156,564,400 shall be available for letters of intent issued prior to July 31, 1991.

AVIATION INSURANCE REVOLVING FUND

The Secretary of Transportation is hereby authorized to make such expenditures and investments, within the limits of funds available pursuant to section 1306 of the Act of August 23, 1958, as amended (49 U.S.C. 1536), and in accordance with section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 9104), as may be necessary in carrying out the program set forth in the budget for the current fiscal year for aviation insurance activities under said Act.

AIRCRAFT PURCHASE LOAN GUARANTEE PROGRAM

The Secretary of Transportation may hereafter issue notes or other obligations to the Secretary of the Treasury, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as the Secretary of the Treasury may prescribe. Such obligations may be issued to pay any necessary expenses required pursuant to any guarantee issued under the Act of September 7, 1957, Public Law 85-307, as amended (49 U.S.C. 1324 note). None of the funds in this Act shall be available for the implementation or execution of programs under this head the obligations for which are in excess of $9,970,000 during fiscal year 1992. Such obligations shall be redeemed by the Secretary from appropriations authorized by this section. The Secretary of the Treasury shall purchase any such obligations, and for such purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force. The purposes for which securities may be issued under such Act are extended to include any purchase of notes or other obligations issued under the subsection. The Secretary of the Treasury may sell any such obligations at such times and price and upon such terms and conditions as he shall determine in his discretion. All purchases, redemptions, and sales of such obligations by such Secretary shall be treated as public debt transactions of the United States. For the settlement of promissory notes issued to the Secretary of the Treasury, $1,200,000, to remain available until expended, together with such sums as may be necessary for the payment of interest due under the terms and conditions of such notes.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON GENERAL OPERATING EXPENSES

Necessary expenses for administration, operation, and research of the Federal Highway Administration not to exceed $326,400,000 *$479,050,000* shall be paid in accordance with law from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration: *Provided*, That not to exceed [$114,200,000] *$266,850,000* of the amount provided herein shall remain available until expended: *Provided further*, That, notwithstanding any other provision of law, there may be credited to this account funds received from States, counties, municipalities, other public authorities, and private sources, for training expenses incurred for non-Federal employees.

UNIVERSITY TRANSPORTATION CENTERS

(HIGHWAY TRUST FUND)

For necessary expenses for university transportation centers, as authorized by section 21(i)(2) of the Urban Mass Transportation Act of 1964, as amended, [$5,000,000] *$7,000,000* to be derived from the Highway Trust Fund (other than the Mass Transit Account).

HIGHWAY-RELATED SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 402 administered by the Federal Highway Administration, to remain available until expended, [$10,000,000] *$20,000,000* to be derived from the Highway Trust Fund: *Provided*, That not to exceed $350,000 of the amount appropriated herein shall be available for "Limitation on general operating expenses": *Provided further*, That none of the funds in this Act shall be available for the planning or execution of programs the obligations for which are in excess of $10,000,000 in fiscal year 1992 for "Highway-Related Safety Grants".

[RAILROAD-HIGHWAY CROSSINGS DEMONSTRATION PROJECTS

[For necessary expenses of certain railroad-highway crossings demonstration projects as authorized by section 163 of the Federal-Aid Highway Act of 1973, as amended, to remain available until expended, $13,270,000, of which $8,846,667 shall be derived from the Highway Trust Fund.]

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of [$16,200,000,000] *$17,098,460,000* for Federal-aid highways and highway safety construction programs for fiscal year 1992: *Provided further, That none of the funds in this Act shall be available for the implementation or execution of section 157 of title 23, United States Code, the obligations for which are in excess of $1,100,000,000.*

FEDERAL-AID HIGHWAYS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For carrying out the provisions of title 23, United States Code, that are attributable to Federal-aid highways, including the National Scenic and Recreational Highway as authorized by 23 U.S.C. 148, not otherwise provided, including reimbursements for sums expended pursuant to the provisions of 23 U.S.C. 308, [$15,100,000,000] *$15,400,000,000* or so much thereof as may be available in and derived from the Highway Trust Fund, to remain available until expended.

RIGHT-OF-WAY REVOLVING FUND

(LIMITATION ON DIRECT LOANS AND LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

During fiscal year 1992 and with the resources and authority available, gross obligations for the principal amount of direct loans shall not exceed [$70,000,000] *$42,500,000*. For payment of obligations incurred in carrying out the provisions of section 107 of title 23, United States Code, $40,000,000 to be derived from the Highway Trust Fund and to remain available until expended.

MOTOR CARRIER SAFETY

(HIGHWAY TRUST FUND)

For necessary expenses to carry out the motor carrier safety functions of the Secretary as authorized by the Department of Transportation Act (80 Stat. 939-940), [$48,417,000] *$46,000,000 to be derived from the Highway Trust Fund*, of which $3,579,000 shall remain available until expended.

MOTOR CARRIER SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out the provisions of section 402 of Public Law 97-424 $62,000,000, to be derived from the Highway Trust Fund and to remain available until expended: *Provided*, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of [$60,000,000] *$65,500,000* for "Motor Carrier Safety Grants".

[BALTIMORE-WASHINGTON PARKWAY

[(HIGHWAY TRUST FUND)

[For necessary expenses, not otherwise provided, to carry out the provisions of the Federal-Aid Highway Act of 1970 for the Baltimore-Washington Parkway, to remain available until expended, $22,000,000, to be derived from the Highway Trust Fund and to be withdrawn therefrom at such times and in such amounts as may be necessary.

[INTERMODAL URBAN DEMONSTRATION PROJECT

[(HIGHWAY TRUST FUND)

[For necessary expenses to carry out the provisions of section 124 of the Federal-Aid Highway Amendments of 1974, $10,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

[HIGHWAY SAFETY AND ECONOMIC DEVELOPMENT DEMONSTRATION PROJECTS

[(HIGHWAY TRUST FUND)

[For necessary expenses to carry out construction projects as authorized by Public Law 99-500 and Public Law 99-591, $22,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

[HIGHWAY SAFETY IMPROVEMENT DEMONSTRATION PROJECT

[For the purpose of carrying out a coordinated project of highway improvements in the vicinity of Pontiac and East Lansing, Michigan, that demonstrates methods of enhancing safety and promoting economic development through widening and resurfacing of highways on the Federal-aid primary system and on roads on the Federal-aid urban system, $18,700,000, to remain available until expended.

[HIGHWAY-RAILROAD GRADE CROSSING SAFETY DEMONSTRATION PROJECT

[(HIGHWAY TRUST FUND)

[For the purpose of carrying out a coordinated project of highway-railroad grade crossing separations in Mineola, New York, that demonstrates methods of enhancing highway-railroad crossing safety while minimizing surrounding environmental effects, as authorized by Public Law 99-500 and Public Law 99-591, $5,000,000, to be derived from the Highway Trust Fund and to remain available until expended.

[HIGHWAY WIDENING DEMONSTRATION PROJECT

[For necessary expenses to carry out a demonstration project to improve U.S. Route 202 in the vicinity of King of Prussia, Pennsylvania, as authorized by Public Law 100-202, $2,000,000, to remain available until expended.

[HIGHWAY WIDENING AND IMPROVEMENT DEMONSTRATION PROJECT

[For up to 80 percent of the expenses necessary to carry out a highway project between Paintsville and Prestonsburg, Kentucky, that demonstrates the safety and economic benefits of widening and improving highways in mountainous areas, $8,000,000, to remain available until expended.

[CLIMBING LANE AND HIGHWAY SAFETY DEMONSTRATION PROJECT

[For 80 percent of the expenses necessary to carry out a highway project on U.S. Route 15 in the vicinity of Tioga County, Pennsylvania, for the purpose of demonstrating methods of improved highway and highway safety construction, $7,000,000, to remain available until expended.

[INDIANA INDUSTRIAL CORRIDOR SAFETY DEMONSTRATION PROJECT

[For 80 percent of the expenses necessary for an improved route between Logansport and Peru, Indiana, for the purpose of demonstrating the safety and economic benefits of widening and improving rural highways, $4,000,000, to remain available until expended.

[ALABAMA HIGHWAY BYPASS DEMONSTRATION PROJECT

[For 80 percent of the expenses necessary for the construction of a highway bypass project in the vicinity of Jasper, Alabama, for the purpose of demonstrating methods of improved highway and highway safety construction, $10,000,000, to remain available until expended.

[KENTUCKY BRIDGE DEMONSTRATION PROJECT

[For 80 percent of the expenses necessary to replace the Glover Cary Bridge in Owensboro, Kentucky, for the purpose of demonstrating methods of improved highway and highway safety construction, $5,000,000, to remain available until expended.

[VIRGINIA HOV SAFETY DEMONSTRATION PROJECT

[For 80 percent of the expenses necessary to construct High Occupancy Vehicle lanes on Interstate Route 66 between U.S. Route 50 and U.S. Route 29 for the purpose of demonstrating methods of increasing highway capacity and safety by the use of highway shoulders to construct HOV lanes, $6,000,000, to remain available until expended.

[URBAN HIGHWAY CORRIDOR AND BICYCLE TRANSPORTATION DEMONSTRATION PROJECTS

[For 80 percent of the expenses necessary to improve and upgrade the M-59 urban highway corridor in southeast Michigan for the purpose of demonstrating methods of improving congested urban corridors that have been neglected during construction of the Interstate system, $10,700,000, to remain available until expended, together with $1,000,000, to remain available until expended, to provide for 80 percent of the expenses necessary for a bicycle transportation demonstration project in Macomb County, Michigan.

[URBAN AIRPORT ACCESS SAFETY DEMONSTRATION PROJECT

[For 80 percent of the expenses necessary to improve and upgrade access to Detroit Metropolitan Airport in southeast Michigan, $10,000,000, to remain available until expended, for the purpose of demonstrating methods of improving access to major urban airports.

[PENNSYLVANIA RECONSTRUCTION DEMONSTRATION PROJECT

[For 80 percent of the expenses necessary to upgrade, widen, and reconstruct the sections of Pennsylvania Route 56 known as Haws Pike and the Windber By-Pass, for the purpose of demonstrating methods of promoting economic development and highway safety, $9,000,000, to remain available until expended.

[PENNSYLVANIA TOLL ROAD DEMONSTRATION PROJECT

[For necessary expenses for the Monongahela Valley Expressway, $2,000,000, to remain available until expended: *Provided*, That these funds, together with funds made available from the Highway Trust Fund, for Federal participation in the toll highway project being carried out under section 129(j) of title 23, United States Code, in the State of Pennsylvania shall be subject to section 129(j) of such title, relating to Federal share limitation.

[HIGHWAY BYPASS DEMONSTRATION PROJECT

[For 80 percent of the expenses necessary to carry out a highway project in the vicinity of Prunedale, California, that demonstrates methods of accelerating right-of-way acquisition and construction of a highway bypass, $10,000,000, to remain available until expended.]

HIGHWAY DEMONSTRATION PROJECTS

[(INCLUDING TRANSFER OF FUNDS)]

For up to 80 percent of the expenses necessary for certain highway and bicycle transportation projects and parking facilities, including feasibility and environmental studies, that demonstrate methods of improving safety, reducing congestion, or promoting economic development [$141,908,000, of which $4,628,000 shall be derived by transfer from the "Nuclear Waste Transportation Safety Demonstration project"] *$168,050,000*, to remain available until expended: *Provided, That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.*

HIGHWAY STUDIES

FEASIBILITY, DESIGN, ENVIRONMENTAL, ENGINEERING

For necessary expenses to carry out feasibility, design, environmental and preliminary engineering studies $23,485,000 to remain available until expended: Provided, That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

CORRIDOR G IMPROVEMENT PROGRAM

For the purpose of carrying out a demonstration of methods of eliminating traffic congestion, and to promote economic benefits for the area affected by the construction of the Corridor G segment of the Appalachian Highway System, there is hereby appropriated $165,000,000, to remain available until expended: Provided, That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

CORNING BYPASS SAFETY DEMONSTRATION PROJECT

For the purpose of continuing a demonstration of traffic safety and flow improvement, there is hereby appropriated $14,000,000, to remain available until expended: Provided, That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

TURQUOISE TRAIL PROJECT

For necessary expenses to carry out a demonstration project known as the Turquoise Trail Project, that demonstrates methods of enhancing safety and promoting economic development through converting a dirt roadway into an all weather, two lane highway, there is hereby appropriated $3,000,000, to remain available until expended: Provided, That such sums appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

OTTUMWA ROAD EXTENSION PROJECT

For the purpose of carrying out a demonstration of economic growth and development benefits of a four lane highway in areas with industry producing heavy traffic, there is hereby appropriated $8,000,000 to remain available until expended, for the acquisition of rights-of-way, and other costs incurred in the upgrading and construction of a portion of a four lane facility between Prairie City and Ottumwa along existing State highways and new highway alignments: Provided, That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

NORTH CAROLINA CONNECTOR PROJECT

For necessary expenses to carry out site selection, preliminary engineering and design work related to construction of a new four-lane highway at interstate standards from Rocky Mount, North Carolina, to Elizabeth City, North Carolina, including extensions to Raleigh, North Carolina, and Portsmouth, Virginia, there is hereby appropriated $6,000,000 to remain avail-

able until expended: Provided, That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

[OPERATIONS AND RESEARCH

[For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety under the Motor Vehicle Information and Cost Savings Act (Public Law 92-513, as amended) and the National Traffic and Motor Vehicle Safety Act, $75,995,000, to remain available until September 30, 1994.]

OPERATIONS AND RESEARCH

(HIGHWAY TRUST FUND)

For expenses necessary to discharge the functions of the Secretary with respect to traffic and highway safety under chapter 4, title 23, United States Code, *the Motor Vehicle Information and Cost Savings Act (Public Law 92-513, as amended) and the National Traffic and Motor Vehicle Safety Act*, to be derived from the Highway Trust Fund, [$42,357,000] *$121,986,000*, to remain available until September 30, 1994.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred carrying out the provisions of 23 U.S.C. *153*, 402, 406, and 408, and section 209 of Public Law 95-599, as amended, to remain available until expended, [$130,000,000] *$150,000,000*, to be derived from the Highway Trust Fund: *Provided*, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which are in excess of [$115,000,000] *$120,000,000* in fiscal year 1992 for "State and community highway safety grants" authorized under 23 U.S.C. 402: *Provided further*, That none of these funds shall be used for construction, rehabilitation or remodeling costs, or for office furnishings and fixtures for State, local, or private buildings or structures: *Provided further*, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which are in excess of $20,000,000 for "Alcohol safety incentive grants" authorized under 23 U.S.C. 408: *Provided further, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which are in excess of $20,000,000 for "Grants to States" authorized under 23 U.S.C. 153: Provided further*, That not to exceed [$5,353,000] *$5,153,000* may be available for administering the provisions of 23 U.S.C. 402: *Provided further*, That notwithstanding any other provision of law, none of the funds in this Act shall be available for the planning or execution of programs authorized under section 209 of Public Law 95-599, as amended, the total obligations for which are in excess of $4,750,000 in fiscal years 1982 through 1992.

FEDERAL RAILROAD ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, [$16,077,000] *$16,962,000*, of which $2,168,000 shall remain available until expended: *Provided*, That none of the funds in this Act shall be available for the planning or execution of a program making commitments to guarantee new loans under the Emergency Rail Services Act of 1970, as amended, and that no new commitments to guarantee loans under section 211(a) or 211(h) of the Regional Rail Reorganization Act of 1973, as amended, shall be made: *Provided further*, That, as part of the Washington Union Station transaction in which the Secretary assumed the first deed of trust on the property and, where the Union Station Redevelopment Corporation or any successor is obligated to make payments on such deed of trust on the Secretary's behalf, including payments on and after September 30, 1988, the Secretary is authorized to receive such payments directly from the Union Station Redevelopment Corporation, credit them to the appropriation charged for the first deed of trust, and make payments on the first deed of trust with those funds: *Provided further*, That such additional sums as may be necessary for payment on the first deed of trust may be advanced by the Administrator from unobligated balances available to the Federal Railroad Administration, to be reimbursed from payments received from the Union Station Redevelopment Corporation.

LOCAL RAIL FREIGHT ASSISTANCE

For necessary expenses for rail assistance under section 5(q) of the Department of Transportation Act, as amended, [$10,000,000] *$14,000,000*, to remain available until expended.

RAILROAD SAFETY

For necessary expenses in connection with railroad safety, not otherwise provided for, [$37,136,000] *$38,921,000*, of which $1,220,000 shall remain available until expended: *Provided*, That there may be credited to this appropriation funds received from non-Federal sources for expenses incurred in training safety employees of private industry, State and local authorities, or other public authorities other than State rail safety inspectors participating in training pursuant to section 206 of the Federal Railroad Safety Act of 1970.

RAILROAD RESEARCH AND DEVELOPMENT

For necessary expenses for railroad research and development, [$14,713,000] *$10,526,000*, to remain available until expended: *Provided*, That up to $500,000 of the funds made available in fiscal year 1991 shall be made available to support, by financial assistance agreement, railroad-highway grade crossing safety programs, including Operation Lifesaver: *Provided further, That $150,000 is available until expended to support by financial assistance agreement railroad metallurgical and welding studies at the Oregon Graduate Institute.*

MAGNETIC LEVITATION TRANSPORTATION

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out the provisions of a Magnetic Levitation Transportation Program, $30,000,000, to be derived from the Highway Trust Fund and to remain available until expended: Provided, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $30,000,000 for magnetic levitation and high speed rail transportation for fiscal year 1992: Provided further, That $5,000,000 is available until expended for grants to specific States to conduct detailed market analysis of potential maglev and/or high speed rail ridership and determine the availability of rights-of-way for maglev and/or high speed rail use: Provided further, That any such grant shall be matched on a dollar for dollar basis by a State, local, or other non-Federal concern.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

For necessary expenses related to Northeast Corridor improvements authorized by title VII of the Railroad Revitalization and Regulatory Reform Act of 1976, as amended (45 U.S.C. 851 et seq.) and the Rail Safety Improvement Act of 1988, [$36,000,000] *$260,000,000*, to remain available until expended.

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation for operating losses incurred by the Corporation, capital improvements, and labor protection costs authorized by 45 U.S.C. 601, to remain available until expended, [$503,900,000] *$511,000,000*, of which [$328,900,000] *$331,000,000* shall be available for operating losses incurred by the Corporation and for labor protection costs, and of which [$175,000,000] *$180,000,000* shall be available for capital improvements: *Provided*, That none of the funds herein appropriated shall be used for lease or purchase of passenger motor vehicles or for the hire of vehicle operators for any officer or employee, other than the president of the Corporation, excluding the lease of passenger motor vehicles for those officers or employees while in official travel status: *Provided further*, That the Secretary shall make no commitments to guarantee new loans or loans for new purposes under 45 U.S.C. 602 in fiscal year 1992: *Provided further*, That no funds are required to be expended or reserved for expenditure pursuant to 45 U.S.C. 601(e)[: *Provided further*, That, notwithstanding any other provision of law, the National Railroad Passenger Corporation shall not operate rail passenger service between Atlantic City, New Jersey, and the Northeast Corridor main line unless the Corporation's Board of Directors determines that revenues from such service have covered or exceeded 80 per centum of the short-term avoidable costs of operating such service in the third year of operation and 100 per centum of the short-term avoidable operating costs for each year thereafter:] *Provided further, That none of the funds provided in this or any other Act shall be made available to finance the acquisition and rehabilitation of a line, and construction necessary to facilitate improved rail passenger service, between Spuyten Duyvil, New York, and the main line of the Northeast Corridor unless the Secretary of Transportation certifies that not less than 40 per centum of the costs of such improvements shall be derived from non-Amtrak sources.*

MANDATORY PASSENGER RAIL SERVICE PAYMENTS

To enable the Secretary of Transportation to pay obligations and liabilities of the National Railroad Passenger Corporation, $145,000,000, to remain available until expended: *Provided*, That this amount is available only for the payment of: (1) tax liabilities under section 3221 of the Internal Revenue Code of 1986 due in fiscal year 1992 in excess of amounts needed to fund benefits for individuals who retired from the National Railroad Passenger Corporation and for their beneficiaries; (2) obligations of the National Railroad Passenger Corporation under section 358(a) of title 45, United States Code, due in fiscal year 1992 in excess of its obligations calculated on an experience-rated basis; and (3) obligations of the National Railroad Passenger Corporation due under section 3321 of the Internal Revenue Code of 1986.

RAILROAD REHABILITATION AND IMPROVEMENT FINANCING FUNDS

The Secretary of Transportation is authorized to issue to the Secretary of the Treasury notes or other obligations pursuant to section 512 of the Railroad Revitalization and Regulatory Reform Act of 1976 (Public Law 94-210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: *Provided*, That no new loan guarantee commitments shall be made during fiscal year 1992: *Provided further*, That, notwithstanding any other provision of law, for fiscal year 1989 and each fiscal year thereafter all amounts realized from the sale of notes or securities sold under authority of this section shall be considered as current year domestic discretionary outlay offsets and not as "asset sales" or "loan prepayments" as defined by section 257(12) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That any underwriting fees and related expenses shall be derived solely from the proceeds of the sales.

[CONRAIL COMMUTER TRANSITION ASSISTANCE

[For necessary capital expenses of Conrail commuter transition assistance, not otherwise provided for, $27,200,000, to remain available until expended.

[AMTRAK CORRIDOR IMPROVEMENT LOANS

[For loans to the Chicago, Missouri and Western Railroad, or its successors, to replace existing jointed rail with continuous welded rail between Joliet and Granite City, Illinois, $3,500,000: *Provided*, That any loan authorized under this section shall be structured with a maximum 20-year payment at an annual interest rate of 4 per centum: *Provided further*, That the Federal Government shall hold a first and prior purchase money security interest with respect to any materials to be acquired with Federal funds: *Provided further*, That any such loan shall be matched on a dollar for dollar basis by the State of Illinois: *Provided further*, That any such loan shall be made available no later than thirty days after enactment of this Act.]

URBAN MASS TRANSPORTATION ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the urban mass transportation program authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), and 23 U.S.C. chapter 1 in connection with these activities, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, [$37,000,000] *$19,566,419, of which $3,288,470 shall be derived from the Mass Transit Account of the Highway Trust Fund.*

[RESEARCH, TRAINING, AND HUMAN RESOURCES]

TRANSIT PLANNING AND RESEARCH

For necessary expenses for *planning*, research, training, and human resources as authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), to remain available until expended, [$26,000,000, of which $5,000,000 shall be available to carry out the provisions of section 18(h) of the Urban Mass Transportation Act of 1964, as amended] *$58,347,073, of which $9,806,220 shall be derived from the Mass Transit Account of the Highway Trust Fund: Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for training.

FORMULA GRANTS

For necessary expenses to carry out the provisions of sections 9 and 18 of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), [$1,600,000,000] *$1,058,043,440*, to remain available until expended *of which $177,822,231 shall be derived from the Mass Transit Account of the Highway Trust Fund: Provided*, That, notwithstanding any other provision of law, of the funds provided under this head for formula grants no more than $802,278,000 may be used for operating assistance under section 9(k)(2) of the Urban Mass Transportation Act of 1964, as amended.

TRUST FUNDED PROGRAMS

(LIMITATION ON OBLIGATIONS)

For grants and necessary expenses under the contract authority authorized in section 21(a)(1) of the Urban Mass Transportation Act of 1964, as amended, (49 U.S.C. 1601 et seq.), none of the funds in this Act for fiscal year 1992 shall be available for the implementation or execution of programs in excess of $17,601,581 for necessary administrative expenses; $951,795,925 for formula grants; $46,247,545 for interstate transfer grants-transit; $2,367,841 for university transportation centers; and $52,487,927 for transit planning and research.

DISCRETIONARY GRANTS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs in excess of [$1,900,000,000] *$535,000,000* in fiscal year 1992 for grants under the contract authority authorized in section 21 [(a)(2) and (b)] *(b)(1)* of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.).

DISCRETIONARY GRANTS

For necessary expenses to carry out the provisions of section 3 of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), $775,000,000 to remain available until expended.

MASS TRANSIT CAPITAL FUND

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out section 21 [(a)(2) and (b)] *(a)(1) and (b)(1)* of the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), administered by the Urban Mass Transportation Administration, [$1,400,000,000] *$1,500,000,000*, to be derived from the Highway Trust Fund and to remain available until expended.

UNIVERSITY TRANSPORTATION CENTERS

For necessary expenses to carry out the provisions of section 11(b) of the Urban Mass Transportation Act of 1964, as amended, $2,632,159 of which $442,379 shall be derived from the Mass Transit Account of the Highway Trust Fund.

INTERSTATE TRANSFER GRANTS—TRANSIT

For necessary expenses to carry out the provisions of 23 U.S.C. 103(e)(4) related to transit projects, [$160,000,000] *$51,410,087*, to remain available until expended *of which $8,640,341 shall be derived from the Mass Transit Account of the Highway Trust Fund.*

WASHINGTON METRO

For necessary expenses to carry out the provisions of section 14 of Public Law 96-184 and Public Law 101-551, $124,000,000, to remain available until expended.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to the 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, as may be necessary in carrying out the programs set forth in the Corporation's budget for the current fiscal year.

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

For necessary expenses for operation and maintenance of those portions of the Saint Lawrence Seaway operated and maintained by the Saint Lawrence Seaway Development Corporation, [$10,600,000] *$10,550,000*, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law 99-662.

RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION

[RESEARCH AND SPECIAL PROGRAMS

[For expenses necessary to discharge the functions of the Research and Special Programs Administration, and for expenses for conducting research and development, $21,582,000, of which $4,000,000 shall be available for a comprehensive audit and report by the Presidential Task Force on Trans-Alaska Pipeline System as authorized in section 8103 of Public Law 101-380 and of which $1,592,000 shall remain available until expended: *Provided*, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, for reports publication and dissemination, and for aviation information management: *Provided further*, That, notwithstanding any other provision of law, there may be credited to this appropriation up to $1,000,000 in funds received from user fees established to support the electronic tariff filing system.]

HAZARDOUS MATERIALS SAFETY

For expenses necessary to discharge the functions of Hazardous Materials Safety and for expenses for conducting research and development, $12,301,000, of which $1,302,000 shall remain available until expended: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, and for reports publication and dissemination: Provided further, That not less than $1,900,000 in fees shall be collected under section 106(c)(11) of the Hazardous Materials Transportation Uniform Safety Act of 1990 (49 App. U.S.C. 1805(c)(11)) and deposited in the general fund of the Treasury as offsetting receipts.

AVIATION INFORMATION MANAGEMENT

For expense necessary to discharge the functions of Aviation Information Management, $2,495,000: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, for reports publication and dissemination, and for aviation information management: Provided further, That, notwithstanding any other provision of law, there may be credited to this appropriation up to $1,000,000 in funds received from user fees established to support the electronic tariff filing system.

EMERGENCY TRANSPORTATION

For expenses necessary to discharge the functions of Emergency Transportation and for ex-

penses for conducting research and development, $944,000, of which $90,000 shall remain available until expended: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, and for reports publication and dissemination.

RESEARCH AND TECHNOLOGY

For expenses necessary to discharge the functions of Research and Technology and for expenses for conducting research and development, $1,868,000, of which $702,000 shall remain available until expended: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, and for reports publication and dissemination.

PROGRAM AND ADMINISTRATIVE SUPPORT

For expenses necessary to discharge the functions of Program and Administrative Support, $5,606,000, of which $165,000 shall be derived from the Pipeline Safety Fund: Provided, That there may be credited to this appropriation funds received from the States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, and for reports publication and dissemination: Provided further, That no employees other than those compensated under this appropriation shall serve in the Office of the Administrator, the Office of Policy and Programs, the Office of Civil Rights, the Office of Management and Administration, and the Office of the Chief Counsel.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

For expenses necessary to conduct the functions of the pipeline safety program and for grants-in-aid to carry out a pipeline safety program, as authorized by section 5 of the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979, [$13,472,000] *$13,553,000*, to be derived from the Pipeline Safety Fund, of which [$7,850,000] *$7,850,000* shall remain available until expended.

OFFICE OF THE INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of the Inspector General to carry out the provisions of the Inspector General Act of 1978, as amended, [$37,005,000] *$36,518,000*.

TITLE II—RELATED AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended, [$2,900,000: *Provided*, That, notwithstanding any other provision of law, there may be credited to this appropriation funds received for training expenses] *$2,980,000*.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS-18; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902), [$34,176,000] *$35,676,000*, of which not to exceed $1,000 may be used for official reception and representation expenses.

INTERSTATE COMMERCE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Interstate Commerce Commission, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b), and not to exceed $1,500 for official reception and representation expenses, [$40,923,000] *$41,373,000*: *Provided*, That joint board members and cooperating State commissioners may use Government transportation requests when traveling in connection with their official duties as such: *Provided further*, That *not to exceed $5,500,000 in* fees collected in fiscal year 1992 by the Interstate Commerce Commission pursuant to 31 U.S.C. 9701 shall be made available to this appropriation in fiscal year 1992.

PAYMENTS FOR DIRECTED RAIL SERVICE

(LIMITATION ON OBLIGATIONS)

None of the funds provided in this Act shall be available for the execution of programs the obligations for which can reasonably be expected to exceed $475,000 for directed rail service authorized under 49 U.S.C. 11125 or any other Act.

PANAMA CANAL COMMISSION

PANAMA CANAL REVOLVING FUND

For administrative expenses of the Panama Canal Commission, including not to exceed $11,000 for official reception and representation expenses of the Board; not to exceed $5,000 for official reception and representation expenses of the Secretary; and not to exceed $30,000 for official reception and representation expenses of the Administrator, $49,497,000, to be derived from the Panama Canal Revolving Fund: *Provided*, That none of these funds may be used for the planning or execution of non-administrative and capital programs the obligations for which are in excess of [$519,000,000] *$500,000,000* in fiscal year 1992: *Provided further*, That funds available to the Panama Canal Commission shall be available for the purchase of not to exceed forty-four passenger motor vehicles for replacement only (including large heavy-duty vehicles used to transport Commission personnel across the Isthmus of Panama) the purchase price of which shall not exceed $16,500 per vehicle.

DEPARTMENT OF THE TREASURY

REBATE OF SAINT LAWRENCE SEAWAY TOLLS

(HARBOR MAINTENANCE TRUST FUND)

For rebate of the United States portion of tolls paid for use of the Saint Lawrence Seaway, pursuant to Public Law 99-662, $10,250,000, to remain available until expended and to be derived from the Harbor Maintenance Trust Fund, of which not to exceed $170,000 shall be available for expenses of administering the rebates.

WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

INTEREST PAYMENTS

For necessary expenses for interest payments, to remain available until expended, $51,663,569: *Provided*, That these funds shall be disbursed pursuant to terms and conditions established by Public Law 96-184 and the Initial Bond Repayment Participation Agreement.

TITLE III—GENERAL PROVISIONS

(INCLUDING TRANSFERS OF FUNDS)

SEC. 301. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official department business; and uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901-5902).

SEC. 302. Funds for the Panama Canal Commission may be apportioned notwithstanding 31 U.S.C. 1341 to the extent necessary to permit payment of such pay increases for officers or employees as may be authorized by administrative action pursuant to law that are not in excess of statutory increases granted for the same period in corresponding rates of compensation for other employees of the Government in comparable positions.

SEC. 303. Funds appropriated under this Act for expenditures by the Federal Aviation Administration shall be available (1) except as otherwise authorized by the Act of September 30, 1950 (20 U.S.C. 236-244), for expenses of primary and secondary schooling for dependents of Federal Aviation Administration personnel stationed outside the continental United States 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, if any, available in the locality are unable to provide adequately for the education of such dependents, and (2) for transportation of said dependents between schools serving the area that they attend and their places of residence when the Secretary, under such regulations as may be prescribed, determines that such schools are not accessible by public means of transportation on a regular basis.

SEC. 304. Appropriations contained in this Act for the Department of Transportation 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 rate for a GS-18.

SEC. 305. None of the funds for the Panama Canal Commission may be expended unless in conformance with the Panama Canal Treaties of 1977 and any law implementing those treaties.

SEC. 306. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 307. None of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year, nor may any be transferred to other appropriations, unless expressly so provided herein.

SEC. 308. None of the funds in this or any previous or subsequent Act shall be available for the planning or implementation of any change in the current Federal status of the Volpe National Transportation Systems Center, and none of the funds in this Act shall be available for the implementation of any change in the current Federal status of the Turner-Fairbank Highway Research Center: *Provided*, That the Secretary may plan for further development of the Volpe National Transportation Systems Center and for other compatible uses of the Center's real property: *Provided further*, That any such planning does not alter the Federal status of the Center's research and development operation.

SEC. 309. The expenditure of any appropriation under this Act for any consulting service through procurement contract pursuant to section 3109 of title 5, United States Code, 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. 310. (a) For fiscal year 1992 the Secretary of Transportation shall distribute the obligation limitation for Federal-aid highways by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction that are apportioned or allocated to each State for such fiscal year bear to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction that are apportioned or allocated to all the States for such fiscal year.

(b) During the period October 1 through December 31, 1991, no State shall obligate more than 35 per centum of the amount distributed to such State under subsection (a), and the total of all State obligations during such period shall not exceed 25 per centum of the total amount distributed to all States under such subsection: *Provided*, That this subsection shall not apply to funds obligated for the Kennedy Expressway rehabilitation project in Chicago, Illinois.

(c) Notwithstanding subsections (a) and (b), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction that have been apportioned to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code;

(2) after August 1, 1992, revise a distribution of the funds made available under subsection (a) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year giving priority to those States having large unobligated balances of funds apportioned under section 104 of title 23, United States Code, and giving priority to those States which, because of statutory changes made by the Surface Transportation Assistance Act of 1982 and the Federal-Aid Highway Act of 1981, have experienced substantial proportional reductions in their apportionments and allocations; and

(3) not distribute amounts authorized for administrative expenses, the Federal lands highway program, the strategic highway research program, *the intelligent vehicle-highway systems program, the magnetic levitation transportation program* and amounts made available under sections 149(d), 158, 159, 164, 165, and 167 of Public Law 100-17.

(d) The limitation on obligations for Federal-aid highways and highway safety construction programs for fiscal year 1992 shall not apply to obligations for emergency relief under section 125 of title 23, United States Code; [obligations under section 157 of title 23, United States Code;] projects covered under section 147 of the Surface Transportation Assistance Act of 1978, section 9 of the Federal-Aid Highway Act of 1981, subsections 131 (b) and (j) of Public Law 97-424, section 118 of the National Visitors Center Facilities Act of 1968, or section 320 of title 23, United States Code; projects authorized by Public Law 99-500, Public Law 99-591 and Public Law 100-202; or projects covered under subsections 149 (b) and (c) of Public Law 100-17.

(e) Subject to paragraph (c)(2) of this General Provision, a State which after August 1 and on or before September 30 of fiscal year 1992 obligates the amount distributed to such State in that fiscal year under paragraphs (a) and (c) of this General Provision may obligate for Federal-aid highways and highway safety construction on or before September 30, 1992, an additional amount not to exceed 5 percent of the aggregate amount of funds apportioned or allocated to such State—

(1) under sections 104, 130, 144, and 152 of title 23, United States Code, and

(2) for highway assistance projects under section 103(e)(4) of such title,

which are not obligated on the date such State completes obligation of the amount so distributed.

(f) During the period August 2 through September 30, 1992, the aggregate amount which may be obligated by all States pursuant to paragraph (e) shall not exceed 2.5 percent of the aggregate amount of funds apportioned or allocated to all States—

(1) under sections 104, 130, 144, and 152 of title 23, United States Code, and

(2) for highway assistance projects under section 103(e)(4) of such title,

which would not be obligated in fiscal year 1992 if the total amount of the obligation limitation provided for such fiscal year in this Act were utilized.

(g) Paragraph (e) shall not apply to any State which on or after August 1, 1992, has the amount distributed to such State under paragraph (a) for fiscal year 1992 reduced under paragraph (c)(2).

SEC. 311. None of the funds in this Act shall be available for salaries and expenses of more than one hundred and twenty political and Presidential appointees in the Department of Transportation.

SEC. 312. Not to exceed [$800,000] *$850,000* of the funds provided in this Act for the Department of Transportation shall be available for the necessary expenses of advisory committees.

SEC. 313. The limitation on obligations for the Discretionary Grants program of the Urban Mass Transportation Administration shall not apply to any authority under sections 21(a) (2) and (b) of the Urban Mass Transportation Act of 1964, as amended, previously made available for obligation.

SEC. 314. Notwithstanding any other provision of law, none of the funds in this Act shall be available for the construction of, or any other costs related to, the Central Automated Transit System (Downtown People Mover) in Detroit, Michigan.

SEC. 315. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

SEC. 316. Every 30 days, the Urban Mass Transportation Administration shall publish in the Federal Register an announcement of each grant obligated pursuant to sections 3 and 9 of the Urban Mass Transportation Act of 1964, as amended, including the grant number, the grant amount, and the transit property receiving each grant.

SEC. 317. Notwithstanding any other provision of law, funds appropriated in this or any other Act intended for studies, reports, training, salaries, or research, and related costs thereof including necessary capital expenses, including site acquisition, construction and equipment, are available for such purposes to be conducted through contracts, grants, or financial assistance agreements with the educational institutions that are specified in such Acts or in any report accompanying such Acts.

SEC. 318. The Secretary of Transportation shall permit the obligation of not to exceed $4,000,000, apportioned under title 23, United States Code, section 104(b)(5)(B) for the State of Florida for operating expenses of the Tri-County Commuter Rail Project in the area of Dade, Broward, and Palm Beach Counties, Florida, during each year that Interstate 95 is under reconstruction in such area.

SEC. 319. ESSENTIAL AIR SERVICE COMPENSATION.—Notwithstanding any other provision of law, the Secretary of Transportation shall make payment of compensation under subsection 419 of the Federal Aviation Act of 1958, as amended, only to the extent and in the manner provided in appropriations Acts, at times and in a manner determined by the Secretary to be appropriate, and claims for such compensation shall not arise except in accordance with this provision.

SEC. 320. The authority conferred by section 513(d) of the Airport and Airway Improvement Act of 1982, as amended, to issue letters of intent shall remain in effect subsequent to September 30, 1992. Letters of intent may be issued under such subsection to applicants determined to be qualified under such Act: *Provided*, That, notwithstanding any other provision of law, all such letters of intent in excess of $10,000,000 shall be submitted for approval to the Committees on Appropriations of the Senate and the House of Representatives; the Committee on Commerce, Science, and Transportation of the Senate; and the Committee on Public Works and Transportation of the House of Representatives.

SEC. 321. The Secretary of Transportation is authorized to transfer funds appropriated for any office of the Office of the Secretary to any other office of the Office of the Secretary: *Provided*, That no appropriation shall be increased or decreased by more than 5 per centum by all such transfers: *Provided further*, That any such transfer shall be submitted for approval to the House and Senate Committees on Appropriations.

SEC. 322. Such sums as may be necessary for fiscal year 1992 pay raises for programs funded in this Act shall be absorbed within the levels appropriated in this Act.

SEC. 323. VESSEL TRAFFIC SAFETY FAIRWAY.—None of the funds in this Act shall be available to plan, finalize, or implement regulations that would establish a vessel traffic safety fairway less than five miles wide between the Santa Barbara Traffic Separation Scheme and the San Francisco Traffic Separation Scheme.

SEC. 324. Notwithstanding any other provision of law, airports may transfer, without consideration, to the Federal Aviation Administration instrument landing systems (along with associated approach lighting equipment and runway visual range equipment) which conform to Federal Aviation Administration performance specifications, the purchase of which was assisted by a Federal airport aid program, airport development aid program or airport improvement program grant. The Federal Aviation Administration shall accept such equipment, which shall thereafter be operated and maintained by the Federal Aviation Administration in accordance with agency criteria.

[SEC. 325. WESTSIDE LIGHT RAIL.—Notwithstanding any other provision of law, the Secretary shall, with regard to the Discretionary Grants program of the Urban Mass Transportation Administration, by September 30, 1992, issue a letter of intent and enter into a full funding agreement for the Westside Light Rail extension, including systems related costs, between downtown Portland, Oregon, and S.W. 185th Avenue. That full funding agreement shall provide for a future amendment under the same terms and conditions set forth above, for the extension known as the Hillsboro project which extends from S.W. 185th Avenue to the Transit Center in the City of Hillsboro, Oregon. Subject to a regional decision documented in the Hillsboro project's preferred alternatives report, the Secretary shall enter into an agree-

ment with the Tri-County Metropolitan Transportation District in Portland, Oregon, to initiate preliminary engineering on the Hillsboro project, which shall proceed independent of and concurrent with the project between downtown Portland, Oregon, and S.W. 185th Avenue.]

SEC. [326] *325*. NATIONAL WEATHER GRAPHICS SYSTEM.—None of the funds made available in this Act may be used by the Federal Aviation Administration for a new National Weather Graphics System.

SEC. [327] *326*. None of the funds in this Act shall be available to award a multiyear contract for production end items that (1) includes economic order quantity or long lead time material procurement in excess of $10,000,000 in any one year of the contract or (2) includes a cancellation charge greater than $10,000,000 which at the time of obligation has not been appropriated to the limits of the government's liability or (3) includes a requirement that permits performance under the contract during the second and subsequent years of the contract without conditioning such performance upon the appropriation of funds: *Provided*, That this limitation does not apply to a contract in which the Federal Government incurs no financial liability from not buying additional systems, subsystems, or components beyond the basic contract requirements.

[SEC. 328. From funds appropriated to the Department of Transportation or made available by this Act or any other Act, the Secretary of Transportation shall, notwithstanding any other provision of this Act or any other Act, make available not to exceed $2,000,000 for the planning of a multimodal transportation center in St. Louis, Missouri.]

SEC. [329] *327*. None of the funds in this Act shall be available to close the Federal Aviation Administration's airport facilities equipment office in Little Rock, Arkansas, or to transfer or reduce personnel therefrom.

[SEC. 330. SOUTH BOSTON PIERS TRANSITWAY.—Notwithstanding any other provision of law, the Secretary shall, with regard to the Discretionary Grants program of the Urban Mass Transportation Administration—

[(a) issue a letter of no prejudice by October 1, 1991, and enter into a full funding agreement, including system related costs, by June 1, 1992, for the portion of the South Boston Piers Transitway project between South Station and the portal at D Street in South Boston, Massachusetts. That full funding agreement shall provide for a future amendment under the same terms and conditions set forth above, for the extension of the Transitway from South Station to Boylston Station; and

[(b) issue a letter of intent by September 30, 1992, for the extension of the Transitway from South Station to Boylston Station.]

SEC. 328. None of the funds provided in this Act for Coast Guard Acquisition, Construction and Improvements shall be available for any quarter of any fiscal year beginning after December 31, 1991, unless the Commandant of the Coast Guard first submits a quarterly report to the House and Senate Appropriations Committees on all major Coast Guard acquisition projects including projects executed for the Coast Guard by the United States Navy: Provided, That such reports shall include an acquisition schedule, estimated current and future year funding requirements, and a schedule of anticipated obligations and outlays for each major acquisitions project: Provided further, That such reports shall rate on a relative scale the cost risk, schedule risk, and technical risk associated with each acquisition project and include a table detailing unobligated balances to date and anticipated unobligated balances at the close of the fiscal year and the close of the following fiscal year should the Administration's pending budget request for the acquisition, construction and improvements account be fully funded.

SEC. [331] *329*. NATIONAL 55 MPH SPEED LIMIT ENFORCEMENT PENALTIES.—Notwithstanding sections 141(a) and 154 of title 23, United States Code, none of the funds in this or any previous or subsequent Act shall be used for the purpose of reducing or reserving any portion of a State's apportionment of Federal-aid highway funds as required by section 154(f) of title 23, United States Code, for reason of noncompliance with the criteria of that subsection during fiscal year 1990. The Secretary shall promptly restore any appointments which, prior to enactment of this Act, were reduced or reserved from obligation for reason of noncompliance under section 154(f) during said fiscal year.

SEC. [332] 330. REVOCATION OR SUSPENSION OF DRIVERS' LICENSES OF INDIVIDUALS CONVICTED OF DRUG OFFENSES.

(a) IN GENERAL.—Chapter 1 of title 23, United States Code, is amended by adding at the end the following new section:

"§ 159. Revocation or suspension of drivers' licenses of individuals convicted of drug offenses

"(a) WITHHOLDING OF APPORTIONMENTS FOR NONCOMPLIANCE.—

"(1) AFTER SECOND CALENDAR YEAR.—For each fiscal year the Secretary shall withhold 5 percent of the amount required to be apportioned to any State under each of paragraphs (1), (2), (5), and (6) of section 104(b) on the first day of each fiscal year which begins after the second calendar year following the effective date of this section if the State does not meet the requirements of paragraph (3) on such date.

"(2) AFTER FOURTH CALENDAR YEAR.—The Secretary shall withhold 10 percent (including any amounts withheld under paragraph (1)) of the amount required to be apportioned to any State under each of paragraphs (1), (2), (5), and (6) of section 104(b) on the first day of each fiscal year which begins after the fourth calendar year following the effective date of this section if the State does not meet the requirements of paragraph (3) on the first day of such fiscal year.

"(3) REQUIREMENTS.—A State meets the requirements of this paragraph if—

"(A) the State has enacted and is enforcing a law that requires in all circumstances, or requires in the absence of compelling circumstances warranting an exception—

"(i) the revocation, or suspension for at least 6 months, of the driver's license of any individual who is convicted, after the enactment of such law, of—

"(I) any violation of the Controlled Substances Act, or

"(II) any drug offense, and

"(ii) a delay in the issuance or reinstatement of a driver's license to such an individual for at least 6 months after the individual applies for the issuance or reinstatement of a driver's license if the individual does not have a driver's license, or the driver's license of the individual is suspended, at the time the individual is so convicted; or

"(B) the Governor of the State—

"(i) submits to the Secretary no earlier than the adjournment sine die of the first regularly scheduled session of the State's legislature which begins after the effective date of this section a written certification stating that the Governor is opposed to the enactment or enforcement in the State of a law described in subparagraph (A), relating to the revocation, suspension, issuance, or reinstatement of driver's licenses to convicted drug offenders; and

"(ii) submits to the Secretary a written certification that the legislature (including both Houses where applicable) has adopted a resolution expressing its opposition to a law described in clause (i).

"(b) PERIOD OF AVAILABILITY; EFFECT OF COMPLIANCE AND NONCOMPLIANCE.—

"(1) PERIOD OF AVAILABILITY OF WITHHELD FUNDS.—

"(A) FUNDS WITHHELD ON OR BEFORE SEPTEMBER 30, 1995.—Any funds withheld under subsection (a) from apportionment to any State on or before September 30, 1995, shall remain available for apportionment to such State as follows:

"(i) If such funds would have been apportioned under section 104(b)(5)(A) but for this section, such funds shall remain available until the end of the fiscal year for which such funds are authorized to be appropriated.

"(ii) If such funds would have been apportioned under section 104(b)(5)(B) but for this section, such funds shall remain available until the end of the second fiscal year following the fiscal year for which such funds are authorized to be appropriated.

"(iii) If such funds would have been apportioned under paragraph (1), (2), or (6) of section 104(b) but for this section, such funds shall remain available until the end of the third fiscal year following the fiscal year for which such funds are authorized to be appropriated.

"(B) FUNDS WITHHELD AFTER SEPTEMBER 30, 1995.—No funds withheld under this section from apportionment to any State after September 30, 1995, shall be available for apportionment to such State.

"(2) APPORTIONMENT OF WITHHELD FUNDS AFTER COMPLIANCE.—If, before the last day of the period for which funds withheld under subsection (a) from apportionment are to remain available for apportionment to a State under paragraph (1), the State meets the requirements of subsection (a)(3), the Secretary shall, on the first day on which the State meets the requirements of subsection (a)(3), apportion to the State the funds withheld under subsection (a) that remain available for apportionment to the State.

"(3) PERIOD OF AVAILABILITY OF SUBSEQUENTLY APPORTIONED FUNDS.—Any funds apportioned pursuant to paragraph (2) shall remain available for expenditure as follows:

"(A) Funds which would have been originally apportioned under section 104(b)(5)(A) shall remain available until the end of the fiscal year succeeding the fiscal year in which such funds are apportioned under paragraph (2).

"(B) Funds which would have been originally apportioned under paragraph (1), (2), (5)(B), or (6) of section 104(b) shall remain available until the end of the third fiscal year succeeding the fiscal year in which such funds are so apportioned.

Sums not obligated at the end of such period shall lapse or, in the case of funds apportioned under section 104(b)(5), shall lapse and be made available by the Secretary for projects in accordance with section 118(b).

"(4) EFFECT OF NONCOMPLIANCE.—If, at the end of the period for which funds withheld under subsection (a) from apportionment are available for apportionment to a State under paragraph (1), the State does not meet the requirements of subsection (a)(3), such funds shall lapse or, in the case of funds withheld

from apportionment under section 104(b)(5), such funds shall lapse and be made available by the Secretary for projects in accordance with section 118(b).

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

"(1) DRIVER'S LICENSE.—The term 'driver's license' means a license issued by a State to any individual that authorizes the individual to operate a motor vehicle on highways.

"(2) DRUG OFFENSE.—The term 'drug offense' means any criminal offense which proscribes—

"(A) the possession, distribution, manufacture, cultivation, sale, transfer, or the attempt or conspiracy to possess, distribute, manufacture, cultivate, sell, or transfer any substance the possession of which is prohibited under the Controlled Substances Act; or

"(B) the operation of a motor vehicle under the influence of such a substance.

"(3) CONVICTED.—The term 'convicted' includes adjudicated under juvenile proceedings.".

(b) CONFORMING AMENDMENT TO CHAPTER ANALYSIS.—The analysis for chapter 1 of such title is amended by striking the item relating to section 159 and inserting the following:

"159. Revocation or suspension of drivers' licenses of individuals convicted of drug offenses.".

(c) REPEAL OF FORMER PROVISION.—Section 333 of the Department of Transportation and Related Agencies Appropriations Act, 1991 (104 Stat. 2184–2186) is repealed.

(d) TREATMENT OF AMENDMENTS MADE BY FORMER PROVISION.—The amendments made by section 333 of the Department of Transportation and Related Agencies Appropriations Act, 1991 (104 Stat. 2184–2186) shall be treated as having not been enacted into law.

(e) EFFECTIVE DATE.—The amendments made by subsection (a) of this section shall take effect November 5, 1990.

SEC. 331. The Secretary of Transportation shall develop and implement a plan by January 1, 1992 to make available at O'Hare International Airport sufficient slots to permit basic essential air service under section 419 of the Federal Aviation Act to be provided from any eligible point for which Chicago, Illinois, was designated as a hub city and which had served at O'Hare Airport, at any time between January 1, 1990 and October 1, 1991. Such proposal shall not reduce service to existing cities nor undermine air safety at O'Hare.

SEC. 332. Notwithstanding section 512 of the Airport and Airway Improvement Act of 1982 (49 U.S.C. App. 2211), the Secretary of Transportation shall increase the grant AIP3–19–0004–7 by up to $141,713.

SEC. 333. Notwithstanding any other provision of law, payments to the City of Atlantic City relating to the transfer of Atlantic City International Airport shall not be considered airport revenues for the purposes of the Federal Aviation Act of 1958 (49 U.S.C. 2201, et seq.).

SEC. 334. Section 104(c)(3) of the Aviation Safety and Noise Abatement Act of 1979 (49 U.S.C. 2104(c)(3)) is amended by deleting the word "public" before the word "building."

SEC. 335. None of the funds contained herein may be used to enforce the series of Airworthiness Directives, commencing with the notice issued on November 28, 1987, regarding cargo fire detection and control in aircraft which (1) are operated solely within the State of Alaska, and (2) operate in a configuration with a passenger and cargo compartment on the main deck, until a thorough safety analysis and an economic impact statement have been completed by the Federal Aviation Administration, and have been submitted to and reviewed by the Committee on Appropriations. However, if the Secretary certifies that clear and convincing evidence exists that such rules should be implemented on an emergency basis to present a clear and present threat to passenger safety, such rules may be implemented on a temporary basis pending the outcome of the safety analysis and economic impact statement.

SEC. 336. The Secretary of Transportation shall be authorized to enter into a sole source contract with the Puerto Rico Ports Authority for purposes of constructing an air traffic control tower at Luis Munoz Marin Airport with fiscal year 1991 and fiscal year 1992 appropriations provided under this section: Provided, That the Puerto Rico Ports Authority shall procure such construction services consistent with Department of Transportation acquisition regulations, part 1201 et cet, chapter 48 of the Code of Federal Regulations.

SEC. 337. Notwithstanding any other provision of law, the Niagara Frontier Transportation Authority may provide transportation services in support of the 1993 World University Games.

SEC. 338. Notwithstanding any other provision of law, of the amounts available to New York State under section 3 of the Urban Mass Transportation Act of 1964, as amended, such sums as may be necessary shall be made available to the Secretary for the purpose of conducting a study of the feasibility and cost of adding air conditioning to Pennsylvania Station in New York City.

SEC. 339. Notwithstanding any other provision of law, of the discretionary funds available to the District of Columbia under the Interstate Transfer Grants-Highway Program of the Federal-Aid Highways account of this Act, $5,000,000 in contract authority and in liquidation of contract authority shall be transferred to the Federal Railroad Administration, which shall make such funds available to Amtrak for the Union Station Parking Project in the District of Columbia.

SEC. 340. Section 901 of title 31, United States Code, is amended by inserting the following before the semicolon at the end of subsection (a)(1)(B): ", except that in the case of the Department of Transportation, the official who serves as Assistant Secretary for Administration may be designated."

SEC. 341. The Secretary of Transportation shall publish by January 15, 1992, a notice of proposed rulemaking with regard to amending the Federal Motor Carrier Safety regulations to prohibit the use of radar detectors in operating commercial motor vehicles. Such notice shall solicit testimony regarding the safety, economic, and operational aspects of prohibiting radar detectors in commercial operations.

SEC. 342. Section 402 of Public Law 97–102 is amended by inserting immediately before the colon, a comma and the following: "except that exempt abandonments and discontinuances that are effectuated pursuant to section 1152.50 of title 49 of the Code of Federal Regulations shall not apply toward such 350-mile limit".

SEC. 343. Notwithstanding any other provision of law, the Federal Aviation Administration may use funds from both the facilities and equipment program and the airport improvement formula grant funds to fund the relocation of an ASR–9 radar facility at Nashville International Airport: Provided, That Nashville International Airport may use airport improvement formula grant funds to purchase a VORTAC system for the airport.

SEC. 344. (a) The Administrator of the Federal Aviation Administration shall conduct an aircraft noise mitigation review, to include that airspace over the States of New York and Connecticut lying within a fifty-five nautical mile radius of LaGuardia Airport:

(1) By November 1, 1991, a plan shall be developed by the Administrator to carry out the aircraft noise mitigation review required by this section.

(2) By January 1, 1992, at least 6 public meetings shall be held, with 3 such meetings to be held in each of the States of New York and Connecticut within the study area.

(3) By May 31, 1992, the Administrator shall identify those actions that would be needed to implement air traffic changes that are determined by the Administrator to be appropriate to reduce the effects of aircraft noise within the study area, and to be consistent with the safe and efficient management of air traffic, as provided in the Federal Aviation Act of 1958, as amended, and shall include those identified actions in the Report to Congress required pursuant to section 9119(c) of Public Law 101–508.

(b) There is hereby established the Metropolitan New York Aircraft Noise Mitigation Committee to review aircraft noise complaints within the study area and advise the Administrator of the locations and boundaries of noise impact areas defined by such complaints. The Committee shall consist of nine members, with three members each from the States of Connecticut, New York, and New Jersey, such members to be appointed by the Governor of each State. The Committee shall obtain the participation of citizens, community associations, and other public organizations concerned with aircraft noise in the study area, and shall make recommendations to the Administrator regarding the organizations. These recommendations shall be submitted to the Administrator in accordance with the schedule he establishes in the plan required under subsection (a)(1).

(c) This section shall not apply to the Federal Aviation Administration's field testing and evaluation of any new noise abatement departure procedures for Runway Thirteen at LaGuardia Airport. Implementation of new procedures, if appropriate, shall be in accordance with all applicable federal requirements.

SEC. 345. Not later than 180 days after the date of the enactment of this legislation, the Administrator shall issue regulations as may be necessary to carry out Section 316(g) of the Federal Aviation Act of 1958 (49 U.S.C. App. 1357) as amended. The processing of criminal history record checks contained in section 316(g) shall begin not later than 60 days after the issuance of the final regulations.

SEC. 346. MASS TRANSPORTATION EMPLOYEE TESTING ACT OF 1991.

(a) FINDINGS.—The Congress finds that—

(1) alcohol abuse and illegal drug use pose significant dangers to the safety and welfare of the Nation;

(2) millions of the Nation's citizens utilize mass transportation and depend on the operators of trains and buses to perform in a safe and responsible manner;

(3) the greatest efforts must be expended to eliminate the abuse of alcohol and use of illegal drugs, whether on duty or off duty, by those individuals who are involved in the operation of trains, and buses;

(4) the use of alcohol and illegal drugs has been demonstrated to affect significantly the performance of individuals, and has been proven to have been a critical factor in transportation accidents;

(5) the testing of uniformed personnel of the Armed Forces has shown that the most effective deterrent to abuse of alcohol and use of illegal drugs is increased testing, including random testing;

(6) adequate safeguards can be implemented to ensure that testing for abuse of alcohol or use of illegal drugs is performed in a manner which protects an individual's right of privacy, ensures that no individual is harassed by being

treated differently from other individuals, and ensures that no individual's reputation or career development is unduly threatened or harmed; and

(7) rehabilitation is a critical component of any testing program for abuse of alcohol or use of illegal drugs, and should be made available to individuals, as appropriate.

(b) TESTING TO ENHANCE MASS TRANSPORTATION SAFETY.—As used in this section the term—

(1) "controlled substance" means any substance under section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)) whose use the Secretary has determined has a risk to transportation safety;

(2) "person" includes any corporation, partnership, joint venture, association, or other entity organized or existing under the laws of the United States, or any State, territory, district, or possession thereof, or of any foreign country; and

(3) "mass transportation" means all forms of mass transportation except those forms that the Secretary determines are covered adequately, for purposes of employee drug and alcohol testing, by either the Federal Railroad Safety Act of 1970 (45 U.S.C. 431 et seq.) or the Commercial Motor Vehicle Safety Act of 1986 (49 App. U.S.C. 2701 et seq.).

(c) TESTING PROGRAMS.—

(1) IN GENERAL.—The Secretary shall, in the interest of mass transportation safety, issue regulations within 12 months after the date of enactment of this Act. Such regulations shall establish a program which requires mass transportation operations which are recipients of Federal financial assistance under section 3, 9, or 18 of the Urban Mass Transportation Act of 1964 (49 App. U.S.C. 1602, 1607a, or 1614) or section 103(e)(4) of title 23, United States Code, to conduct preemployment, reasonable suspicion, random, and post-accident testing of mass transportation employees responsible for safety-sensitive functions (as determined by the Secretary) for use, in violation of law or Federal regulation, of alcohol or a controlled substance. The Secretary may also issue regulations, as the Secretary considers appropriate in the interest of safety, for the conduct of periodic recurring testing of such employees for such use in violation of law or Federal regulation.

(2) POST-ACCIDENT TESTING.—In issuing such regulations, the Secretary shall require that post-accident testing of such a mass transportation employee be conducted in the case of any accident involving mass transportation in which occurs loss of human life, or, as determined by the Secretary, other serious accidents involving bodily injury or significant property damage.

(d) REHABILITATION PROGRAMS.—The Secretary shall issue regulations setting forth reasonable requirements for rehabilitation programs which provide for the identification and opportunity for treatment of mass transportation employees referred to in subsection (c)(1) who are determined to have used, in violation of law or Federal regulation, alcohol or a controlled substance. The Secretary shall determine the circumstances under which such employees shall be required to participate in such program. Nothing in this subsection shall preclude a mass transportation operation from establishing a program under this section in cooperation with any other such operation. Nothing herein shall be construed to prohibit bargaining over those aspects or circumstances of drug testing which are not mandated by this section.

(e) PROCEDURES FOR TESTING.—In establishing the program required under subsection (c), the Secretary shall develop requirements which shall—

(1) promote, to the maximum extent practicable, individual privacy in the collection of specimen samples;

(2) with respect to laboratories and testing procedures for controlled substances, incorporate the Department of Health and Human Services scientific and technical guidelines dated April 11, 1988, and any subsequent amendments thereto, including mandatory guidelines which—

(A) establish comprehensive standards for all aspects of laboratory controlled substances testing and laboratory procedures to be applied in carrying out this section, including standards which require the use of the best available technology for ensuring the full reliability and accuracy of controlled substances tests and strict procedures governing the chain of custody of specimen samples collected for controlled substances testing;

(B) establish the minimum list of controlled substances for which individuals may be tested; and

(C) establish appropriate standards and procedures for periodic review of laboratories and criteria for certification and revocation of certification of laboratories to perform controlled substances testing in carrying out this section;

(3) require that all laboratories involved in the testing of any individual under this section shall have the capability and facility, at such laboratory, of performing screening and confirmation tests;

(4) provide that all tests which indicate the use, in violation of law or Federal regulation, of alcohol or a controlled substance by any individual shall be confirmed by a scientifically recognized method of testing capable of providing quantitative data regarding alcohol or a controlled substance;

(5) provide that each specimen sample be subdivided, secured, and labelled in the presence of the tested individual and that a portion thereof be retained in a secure manner to prevent the possibility of tampering, so that in the event the individual's confirmation test results are positive the individual has an opportunity to have the retained portion assayed by a confirmation test done independently at a second certified laboratory if the individual requests the independent test within three days after being advised of the results of the confirmation test;

(6) ensure appropriate safeguards for testing to detect and quantify alcohol in breath and body fluid samples, including urine and blood, through the development of regulations as may be necessary and in consultation with the Department of Health and Human Services;

(7) provide for the confidentiality of test results and medical information (other than information relating to alcohol or a controlled substance) of employees, except that the provisions of this paragraph shall not preclude the use of test results for the orderly imposition of appropriate sanctions under this section; and

(8) ensure that employees are selected for tests by nondiscriminatory and impartial methods, so that no employee is harassed by being treated differently from other employees in similar circumstances.

(f) EFFECT ON OTHER LAWS AND REGULATIONS.—

(1) STATE AND LOCAL LAW AND REGULATIONS.—No State or local government shall adopt or have in effect any law, rule, regulation, ordinance, standard, or order that is inconsistent with the regulations issued under this section, except that the regulations issued under this section shall not be construed to preempt provisions of State criminal law which impose sanctions for reckless conduct leading to actual loss of life, injury, or damage to property, whether the provisions apply specifically to mass transportation employees, or to the general public.

(2) OTHER REGULATION ISSUED BY SECRETARY.—Nothing in this section shall be construed to restrict the discretion of the Secretary to continue in force, amend, or further supplement any regulations governing the use of alcohol or controlled substances by mass transportation employees issued before the date of enactment of this Act.

(3) INTERNATIONAL OBLIGATIONS.—In issuing regulations under this section, the Secretary shall only establish requirements that are consistent with the international obligations of the United States, and the Secretary shall take into consideration any applicable laws and regulations of foreign countries.

(g) PENALTIES.—

(1) DISQUALIFICATION.—As the Secretary considers appropriate, the Secretary shall require—

(A) disqualification for an established period of time or dismissal of any employee referred to in subsection (c)(1) who is determined to have used or to have been impaired by alcohol while on duty; and

(B) disqualification for an established period of time or dismissal of any such employee determined to have used a controlled substance, whether on duty or not on duty, except as permitted for medical purposes by law or any regulations.

(2) EFFECT ON OTHER APPLICABLE PENALTIES.—Nothing in this section shall be construed to supersede any penalty applicable to a mass transportation employee under any other provision of law.

(h) INELIGIBILITY FOR FINANCIAL ASSISTANCE.—A person shall not be eligible for Federal financial assistance under section 3, 9, or 18 of the Urban Mass Transportation Act of 1964 (49 App. U.S.C. 1602, 1607a, or 1614) or section 103(e)(4) of title 23, United States Code, if such person—

(1) is required, under regulations prescribed by the Secretary under this section, to establish a program of alcohol and controlled substances testing; and

(2) fails to establish such a program in accordance with such regulations.

SEC. 347. None of the funds provided, or otherwise made available, by this Act shall be used by the Secretary of Transportation or the Federal Aviation Administration to consolidate Flight Service Stations (including changes in Flight Service Station operations such as permanent reductions in staff, hours of operation, airspace, and airport jurisdictions and the disconnection of telephone lines), until after the expiration of the 12-month period following the data of the submission to Congress of the Auxiliary Flight Service Station plan required under section 330 of the Department of Transportation and Related Agencies Appropriations Act, 1991 (Public Law 101-516; 104 Stat. 2184). This section shall not apply to Flight Service Stations in Laramie, Rawlins, and Rock Springs, Wyoming.

SEC. 348. The Secretary shall advance emergency relief funds to the State of Washington for the replacement of a bridge on the interstate system damaged by November, 1990 storms notwithstanding the provisions of section 125 of title 23, United States Code: Provided, That this provision shall be subject to the Federal Share provisions of section 120, title 23, of the United States Code. The State of Washington shall repay such advances to the extent that a final court judgment declares that damage to such bridges was a result of human error.

SEC. 349. At the end of the first sentence of section 9308(d) of the Omnibus Budget Reconciliation Act of 1990, Public Law 101-508, delete the period and insert the following:

": Provided, however, That no air carrier may operate within the State of Hawaii a greater number of Stage 2 aircraft weighing more than 75,000 lbs., than were operated, owned, or leased, by such air carrier as of the date of enactment of this Act. With respect to operations within the State of Hawaii, this subsection shall

apply only to those air carriers operating turnaround service with aircraft weighing more than 75,000 lbs. within the State of Hawaii as of the date of enactment of this Act and these same limitations shall also apply to air transportation to and from the State of Hawaii.".

[TITLE IV—AGING AIRCRAFT SAFETY

[SEC. 401. SHORT TITLE.

[This title may be cited as the "Aging Aircraft Safety Act of 1991".

[SEC. 402. AGING AIRCRAFT RULEMAKING PROCEEDING.

[(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this title, the Administrator shall initiate a rulemaking proceeding for the purpose of issuing a rule to assure the continuing airworthiness of aging aircraft.

[(b) INSPECTIONS AND RECORD REVIEWS.—

[(1) GENERAL REQUIREMENT.—The rule issued pursuant to this section shall, at a minimum, require the Administrator to make such inspections, and conduct such reviews of maintenance and other records, of each aircraft used by an air carrier to provide air transportation as may be necessary to enable the Administrator to determine that such aircraft is in safe condition and is properly maintained for operation in air transportation.

[(2) PART OF HEAVY MAINTENANCE CHECKS.—The inspections and reviews required under paragraph (1) shall be carried out as part of each heavy maintenance check of the aircraft conducted on or after the first day of the 15th year in which the aircraft is in service.

[(3) APPLICABILITY OF FEDERAL AVIATION ACT.—The inspections required under paragraph (1) shall be conducted as provided in section 601(a)(3)(C) of the Federal Aviation Act of 1958.

[(c) DEMONSTRATION OF STRUCTURAL AND PARTS MAINTENANCE.—The rule issued pursuant to this section shall, at a minimum, require the air carrier to demonstrate to the Administrator, as part of the inspection required by the rule, that maintenance of the aircraft's structure, skin, and other age-sensitive parts and components has been adequate and timely enough to ensure the highest degree of safety.

[(d) PROCEDURES.—The rule issued pursuant to this section shall establish procedures to be followed in carrying out the inspections required by the rule.

[(e) AVAILABILITY OF AIRCRAFT.—The rule issued pursuant to this section shall require the air carrier to make available to the Administrator the aircraft and such inspection, maintenance, and other records pertaining to the aircraft as the Administrator may require for carrying out reviews required by the rule.

[SEC. 403. AIRCRAFT MAINTENANCE SAFETY PROGRAMS.

[Not later than 180 days after the date of the enactment of this title, the Administrator shall establish—

[(1) a program to verify that air carriers are maintaining their aircraft in accordance with maintenance programs approved by the Federal Aviation Administration;

[(2) a program—

[(A) to provide inspectors and engineers of the Federal Aviation Administration with training necessary for conducting auditing inspections of aircraft operated by air carriers for corrosion and metal fatigue; and

[(B) to enhance participation of such inspectors and engineers in such inspections; and

[(3) a program to ensure that air carriers demonstrate to the Administrator their commitment and technical competence to assure the airworthiness of aircraft operated by such carriers.

[SEC. 404. FOREIGN AIR TRANSPORTATION.

[(a) GENERAL RULE.—The Administrator shall take all possible steps to encourage foreign governments and relevant international organizations to develop standards and requirements for inspections and reviews which will ensure the continuing airworthiness of aging aircraft used by foreign air carriers to provide foreign air transportation to and from the United States and which will afford passengers of such foreign air carriers the same level of safety as will be afforded passengers of air carriers by implementation of this title.

[(b) REPORT.—Not later than the last day of the second fiscal year beginning after the date of the enactment of this title, the Administrator shall report to Congress on implementation of this section.

[SEC. 405. ADMINISTRATOR DEFINED.

[As used in this title, the term "Administrator" means the Administrator of the Federal Aviation Administration.]

TITLE IV—OMNIBUS TRANSPORTATION EMPLOYEE TESTING

SHORT TITLE

SEC. 1. This title may be cited as the "Omnibus Transportation Employee Testing Act of 1991".

FINDINGS

SEC. 2. The Congress finds that—

(1) alcohol abuse and illegal drug use pose significant dangers to the safety and welfare of the Nation;

(2) millions of the Nation's citizens utilize transportation by aircraft, railroads, trucks, and buses, and depend on the operators of aircraft, trains, trucks, and buses to perform in a safe and responsible manner;

(3) the greatest efforts must be expended to eliminate the abuse of alcohol and use of illegal drugs, whether on duty or off duty, by those individuals who are involved in the operation of aircraft, trains, trucks, and buses;

(4) the use of alcohol and illegal drugs has been demonstrated to affect significantly the performance of individuals, and has been proven to have been a critical factor in transportation accidents;

(5) the testing of uniformed personnel of the Armed Forces has shown that the most effective deterrent to abuse of alcohol and use of illegal drugs is increased testing, including random testing;

(6) adequate safeguards can be implemented to ensure that testing for abuse of alcohol or use of illegal drugs is performed in a manner which protects an individual's right of privacy, ensures that no individual is harassed by being treated differently from other individuals, and ensures that no individual's reputation or career development is unduly threatened or harmed; and

(7) rehabilitation is a critical component of any testing program for abuse of alcohol or use of illegal drugs, and should be made available to individuals, as appropriate.

TESTING TO ENHANCE AVIATION SAFETY

SEC. 3. (a) Title VI of the Federal Aviation Act of 1958 (49 App. U.S.C. 1421 et seq.) is amended by adding at the end thereof the following:

"SEC. 614. ALCOHOL AND CONTROLLED SUBSTANCES TESTING.

"(a) TESTING PROGRAM.—

"(1) PROGRAM FOR EMPLOYEES OF CARRIERS.—The Administrator shall, in the interest of aviation safety, prescribe regulations within 12 months after the date of enactment of this section. Such regulations shall establish a program which requires air carriers and foreign air carriers to conduct preemployment, reasonable suspicion, random, and post-accident testing of airmen, crewmembers, airport security screening contract personnel, and other air carrier employees responsible for safety-sensitive functions (as determined by the Administrator) for use, in violation of law or Federal regulation, of alcohol or a controlled substance. The Administrator may also prescribe regulations, as the Administrator considers appropriate in the interest of safety, for the conduct of periodic recurring testing of such employees for such use in violation of law or Federal regulation.

"(2) PROGRAM FOR FAA EMPLOYEES.—The Administrator shall establish a program applicable to employees of the Federal Aviation Administration whose duties include responsibility for safety-sensitive functions. Such program shall provide for preemployment, reasonable suspicion, random, and post-accident testing for use, in violation of law or Federal regulation, of alcohol or a controlled substance. The Administrator may also prescribe regulations, as the Administrator considers appropriate in the interest of safety, for the conduct of periodic recurring testing of such employees for such use in violation of law or Federal regulation.

"(3) SUSPENSION; REVOCATION; DISQUALIFICATION; DISMISSAL.—In prescribing regulations under the programs required by this subsection, the Administrator shall require, as the Administrator considers appropriate, the suspension or revocation of any certificate issued to such an individual, or the disqualification or dismissal of any such individual, in accordance with the provisions of this section, in any instance where a test conducted and confirmed under this section indicates that such individual has used, in violation of law or Federal regulation, alcohol or a controlled substance.

"(b) PROHIBITION ON SERVICE.—

"(1) PROHIBITED ACT.—It is unlawful for a person to use, in violation of law or Federal regulation, alcohol or a controlled substance after the date of enactment of this section and serve as an airman, crewmember, airport security screening contract personnel, air carrier employee responsible for safety-sensitive functions (as determined by the Administrator), or employee of the Federal Aviation Administration with responsibility for safety-sensitive functions.

"(2) EFFECT OF REHABILITATION.—No individual who is determined to have used, in violation of law or Federal regulation, alcohol or a controlled substance after the date of enactment of this section shall serve as an airman, crewmember, airport security screening contract personnel, air carrier employee responsible for safety-sensitive functions (as determined by the Administrator), or employee of the Federal Aviation Administration with responsibility for safety-sensitive functions unless such individual has completed a program of rehabilitation described in subsection (c) of this section.

"(3) PERFORMANCE OF PRIOR DUTIES PROHIBITED.—Any such individual determined by the Administrator to have used, in violation of law or Federal regulation, alcohol or a controlled substance after the date of enactment of this section who—

"(A) engaged in such use while on duty;

"(B) prior to such use had undertaken or completed a rehabilitation program described in subsection (c);

"(C) following such determination refuses to undertake such a rehabilitation program; or

"(D) following such determination fails to complete such a rehabilitation program,

shall not be permitted to perform the duties relating to air transportation which such individual performed prior to the date of such determination.

"(c) PROGRAM FOR REHABILITATION.—

"(1) PROGRAM FOR EMPLOYEES OF CARRIERS.—The Administrator shall prescribe regulations setting forth requirements for rehabilitation programs which at a minimum provide for the identification and opportunity for treatment of employees referred to in subsection (a)(1) in need of assistance in resolving problems with the use, in violation of law or Federal regulation, of alcohol or controlled substances. Each air carrier and foreign air carrier is encouraged to make such a program available to all of its employees in addition to those employees referred to in subsection (a)(1). The Administrator shall determine the circumstances under which such employees shall be required to participate in such a program. Nothing in this subsection shall preclude any air carrier or foreign air carrier from establishing a program under this subsection in cooperation with any other air carrier or foreign air carrier.

"(2) PROGRAM FOR FAA EMPLOYEES.—The Administrator shall establish and maintain a rehabilitation program which at a minimum provides for the identification and opportunity for treatment of those employees of the Federal Aviation Administration whose duties include responsibility for safety-sensitive functions who are in need of assistance in resolving problems with the use of alcohol or controlled substances.

"(d) PROCEDURES FOR TESTING.—In establishing the program required under subsection (a), the Administrator shall develop requirements which shall—

"(1) promote, to the maximum extent practicable, individual privacy in the collection of specimen samples;

"(2) with respect to laboratories and testing procedures for controlled substances, incorporate the Department of Health and Human Services scientific and technical guidelines dated April 11, 1988, and any subsequent amendments thereto, including mandatory guidelines which—

"(A) establish comprehensive standards for all aspects of laboratory controlled substances testing and laboratory procedures to be applied in carrying out this section, including standards which require the use of the best available technology for ensuring the full reliability and accuracy of controlled substances tests and strict procedures governing the chain of custody of specimen samples collected for controlled substances testing;

"(B) establish the minimum list of controlled substances for which individuals may be tested; and

"(C) establish appropriate standards and procedures for periodic review of laboratories and criteria for certification and revocation of certification of laboratories to perform controlled substances testing in carrying out this section;

"(3) require that all laboratories involved in the controlled substances testing of any individual under this section shall have the capability and facility, at such laboratory, of performing screening and confirmation tests;

"(4) provide that all tests which indicate the use, in violation of law or Federal regulation, of alcohol or a controlled substance by any individual shall be confirmed by a scientifically recognized method of testing capable of providing quantitative data regarding alcohol or a controlled substance;

"(5) provide that each specimen sample be subdivided, secured, and labelled in the presence of the tested individual and that a portion thereof be retained in a secure manner to prevent the possibility of tampering, so that in the event the individual's confirmation test results are positive the individual has an opportunity to have the retained portion assayed by a confirmation test done independently at a second certified laboratory if the individual requests the independent test within 3 days after being advised of the results of the confirmation test;

"(6) ensure appropriate safeguards for testing to detect and quantify alcohol in breath and body fluid samples, including urine and blood, through the development of regulations as may be necessary and in consultation with the Department of Health and Human Services;

"(7) provide for the confidentiality of test results and medical information (other than information relating to alcohol or a controlled substance) of employees, except that the provisions of this paragraph shall not preclude the use of test results for the orderly imposition of appropriate sanctions under this section; and

"(8) ensure that employees are selected for tests by nondiscriminatory and impartial methods, so that no employee is harassed by being treated differently from other employees in similar circumstances.

"(e) EFFECT ON OTHER LAWS AND REGULATIONS.—

"(1) STATE AND LOCAL LAW AND REGULATIONS.—No State or local government shall adopt or have in effect any law, rule, regulation, ordinance, standard, or order that is inconsistent with the regulations promulgated under this section, except that the regulations promulgated under this section shall not be construed to preempt provisions of State criminal law which impose sanctions for reckless conduct leading to actual loss of life, injury, or damage to property, whether the provisions apply specifically to employees of an air carrier or foreign air carrier, or to the general public.

"(2) OTHER REGULATIONS ISSUED BY ADMINISTRATOR.—Nothing in this section shall be construed to restrict the discretion of the Administrator to continue in force, amend, or further supplement any regulations issued before the date of enactment of this section that govern the use of alcohol and controlled substances by airmen, crewmembers, airport security screening contract personnel, air carrier employees responsible for safety-sensitive functions (as determined by the Administrator), or employees of the Federal Aviation Administration with responsibility for safety-sensitive functions.

"(3) INTERNATIONAL OBLIGATIONS.—In prescribing regulations under this section, the Administrator shall only establish requirements applicable to foreign air carriers that are consistent with the international obligations of the United States, and the Administrator shall take into consideration any applicable laws and regulations of foreign countries. The Secretary of State and the Secretary of Transportation, jointly, shall call on the member countries of the International Civil Aviation Organization to strengthen and enforce existing standards to prohibit the use, in violation of law or Federal regulation, of alcohol or a controlled substance by crew members in international civil aviation.

"(f) DEFINITION.—For the purposes of this section, the term 'controlled substance' means any substance under section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)) specified by the Administrator.".

(b) That portion of the table of contents of the Federal Aviation Act of 1958 relating to title VI is amended by adding at the end thereof the following:

"Sec. 614. Alcohol and controlled substances testing.
"(a) Testing program.
"(b) Prohibition on service.
"(c) Program for rehabilitation.
"(d) Procedures.
"(e) Effect on other laws and regulations.
"(f) Definition.".

TESTING TO ENHANCE RAILROAD SAFETY

SEC. 4. Section 202 of the Federal Railroad Safety Act of 1970 (45 U.S.C. 431) is amended by adding at the end thereof the following:

"(r)(1) In the interest of safety, the Secretary shall, within twelve months after the date of enactment of this subsection, issue rules, regulations, standards, and orders relating to alcohol and drug use in railroad operations. Such regulations shall establish a program which—

"(A) requires railroads to conduct preemployment, reasonable suspicion, random, and post-accident testing of all railroad employees responsible for safety-sensitive functions (as determined by the Secretary) for use, in violation of law or Federal regulation, of alcohol or a controlled substance;

"(B) requires, as the Secretary considers appropriate, disqualification for an established period of time or dismissal of any employee determined to have used or to have been impaired by alcohol while on duty; and

"(C) requires, as the Secretary considers appropriate, disqualification for an established period of time or dismissal of any employee determined to have used a controlled substance, whether on duty or not on duty, except as permitted for medical purposes by law and any rules, regulations, standards, or orders issued under this title.

The Secretary may also issue rules, regulations, standards, and orders, as the Secretary considers appropriate in the interest of safety, requiring railroads to conduct periodic recurring testing of railroad employees responsible for such safety sensitive functions, for use of alcohol or a controlled substance in violation of law or Federal regulation. Nothing in this subsection shall be construed to restrict the discretion of the Secretary to continue in force, amend, or further supplement any rules, regulations, standards, and orders governing the use of alcohol and controlled substances in railroad operations issued before the date of enactment of this subsection.

"(2) In carrying out the provisions of this subsection, the Secretary shall develop requirements which shall—

"(A) promote, to the maximum extent practicable, individual privacy in the collection of specimen samples;

"(B) with respect to laboratories and testing procedures for controlled substances, incorporate the Department of Health and Human Services scientific and technical guidelines dated April 11, 1988, and any subsequent amendments thereto, including mandatory guidelines which—

"(i) establish comprehensive standards for all aspects of laboratory controlled substances testing and laboratory procedures to be applied in carrying out this subsection, including standards which require the use of the best available technology for ensuring the full reliability and accuracy of controlled substances tests and strict procedures governing the chain of custody of specimen samples collected for controlled substances testing;

"(ii) establish the minimum list of controlled substances for which individuals may be tested; and

"(iii) establish appropriate standards and procedures for periodic review of laboratories and criteria for certification and revocation of certification of laboratories to perform controlled substances testing in carrying out this subsection;

"(C) require that all laboratories involved in the controlled substances testing of any employee under this subsection shall have the capability and facility, at such laboratory, of performing screening and confirmation tests;

"(D) provide that all tests which indicate the use, in violation of law or Federal regulation, of alcohol or a controlled substance by any employee shall be confirmed by a scientifically recognized method of testing capable of providing quantitative data regarding alcohol or a controlled substance;

"(E) provide that each specimen sample be subdivided, secured, and labelled in the presence of the tested individual and that a portion thereof be retained in a secure manner to prevent the possibility of tampering, so that in the event the individual's confirmation test results are positive the individual has an opportunity to have the retained portion assayed by a confirmation test done independently at a second certified laboratory if the individual requests the independent test within 3 days after being advised of the results of the confirmation test;

"(F) ensure appropriate safeguards for testing to detect and quantify alcohol in breath and body fluid samples, including urine and blood, through the development of regulations as may be necessary and in consultation with the Department of Health and Human Services;

"(G) provide for the confidentiality of test results and medical information (other than information relating to alcohol or a controlled substance) of employees, except that the provisions of this subparagraph shall not preclude the use of test results for the orderly imposition of appropriate sanctions under this subsection; and

"(H) ensure that employees are selected for tests by nondiscriminatory and impartial methods, so that no employee is harassed by being treated differently from other employees in similar circumstances.

"(3) The Secretary shall issue rules, regulations, standards, or orders setting forth requirements for rehabilitation programs which at a minimum provide for the identification and opportunity for treatment of railroad employees responsible for safety-sensitive functions (as determined by the Secretary) in need of assistance in resolving problems with the use, in violation of law or Federal regulation, of alcohol or a controlled substance. Each railroad is encouraged to make such a program available to all of its employees in addition to those employees responsible for safety sensitive functions. The Secretary shall determine the circumstances under which such employees shall be required to participate in such program. Nothing in this paragraph shall preclude a railroad from establishing a program under this paragraph in cooperation with any other railroad.

"(4) In carrying out the provisions of this subsection, the Secretary shall only establish requirements that are consistent with the international obligations of the United States, and the Secretary shall take into consideration any applicable laws and regulations of foreign countries.

"(5) For the purposes of this subsection, the term 'controlled substance' means any substance under section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)) specified by the Secretary.".

TESTING TO ENHANCE MOTOR CARRIER SAFETY

SEC. 5. (a)(1) The Commercial Motor Vehicle Safety Act of 1986 (49 App. U.S.C. 2701 et seq.) is amended by adding at the end the following new section:

"SEC. 12020. ALCOHOL AND CONTROLLED SUBSTANCES TESTING.

"(a) REGULATIONS.—The Secretary shall, in the interest of commercial motor vehicle safety, issue regulations within twelve months after the date of enactment of this section. Such regulations shall establish a program which requires motor carriers to conduct preemployment, reasonable suspicion, random, and post-accident testing of the operators of commercial motor vehicles for use, in violation of law or Federal regulation, of alcohol or a controlled substance. The Secretary may also issue regulations, as the Secretary considers appropriate in the interest of safety, for the conduct of periodic recurring testing of such operators for such use in violation of law or Federal regulation.

"(b) TESTING.—

"(1) POST-ACCIDENT TESTING.—In issuing such regulations, the Secretary shall require that post-accident testing of the operator of a commercial motor vehicle be conducted in the case of any accident involving a commercial motor vehicle in which occurs loss of human life, or, as determined by the Secretary, other serious accidents involving bodily injury or significant property damage.

"(2) TESTING AS PART OF MEDICAL EXAMINATION.—Nothing in subsection (a) of this section shall preclude the Secretary from providing in such regulations that such testing be conducted as part of the medical examination required by subpart E of part 391 of title 49, Code of Federal Regulations, with respect to those operators of commercial motor vehicles to whom such part is applicable.

"(c) PROGRAM FOR REHABILITATION.—The Secretary shall issue regulations setting forth requirements for rehabilitation programs which provide for the identification and opportunity for treatment of operators of commercial motor vehicles who are determined to have used, in violation of law or Federal regulation, alcohol or a controlled substance. The Secretary shall determine the circumstances under which such operators shall be required to participate in such program. Nothing in this subsection shall preclude a motor carrier from establishing a program under this subsection in cooperation with any other motor carrier.

"(d) PROCEDURES FOR TESTING.—In establishing the program required under subsection (a) of this section, the Secretary shall develop requirements which shall—

"(1) promote, to the maximum extent practicable, individual privacy in the collection of specimen samples;

"(2) with respect to laboratories and testing procedures for controlled substances, incorporate the Department of Health and Human Services scientific and technical guidelines dated April 11, 1988, and any subsequent amendments thereto, including mandatory guidelines which—

"(A) establish comprehensive standards for all aspects of laboratory controlled substances testing and laboratory procedures to be applied in carrying out this section, including standards which require the use of the best available technology for ensuring the full reliability and accuracy of controlled substances tests and strict procedures governing the chain of custody of specimen samples collected for controlled substances testing;

"(B) establish the minimum list of controlled substances for which individuals may be tested; and

"(C) establish appropriate standards and procedures for periodic review of laboratories and criteria for certification and revocation of certification of laboratories to perform controlled substances testing in carrying out this section;

"(3) require that all laboratories involved in the testing of any individual under this section shall have the capability and facility, at such laboratory, of performing screening and confirmation tests;

"(4) provide that all tests which indicate the use, in violation of law or Federal regulation, of alcohol or a controlled substance by any individual shall be confirmed by a scientifically recognized method of testing capable of providing quantitative data regarding alcohol or a controlled substance;

"(5) provide that each specimen sample be subdivided, secured, and labelled in the presence of the tested individual and that a portion thereof be retained in a secure manner to prevent the possibility of tampering, so that in the event the individual's confirmation test results are positive the individual has an opportunity to have the retained portion assayed by a confirmation test done independently at a second certified laboratory if the individual requests the independent test within 3 days after being advised of the results of the confirmation test;

"(6) ensure appropriate safeguards for testing to detect and quantify alcohol in breath and body fluid samples, including urine and blood, through the development of regulations as may be necessary and in consultation with the Department of Health and Human Services;

"(7) provide for the confidentiality of test results and medical information (other than information relating to alcohol or a controlled substance) of employees, except that the provisions of this paragraph shall not preclude the use of test results for the orderly imposition of appropriate sanctions under this section; and

"(8) ensure that employees are selected for tests by nondiscriminatory and impartial methods, so that no employee is harassed by being treated differently from other employees in similar circumstances.

"(e) EFFECT ON OTHER LAWS AND REGULATIONS.—

"(1) STATE AND LOCAL LAW AND REGULATIONS.—No State or local government shall adopt or have in effect any law, rule, regulation, ordinance, standard, or order that is inconsistent with the regulations issued under this section, except that the regulations issued under this section shall not be construed to preempt provisions of State criminal law which impose sanctions for reckless conduct leading to actual loss of life, injury, or damage to property, whether the provisions apply specifically to commercial motor vehicle employees, or to the general public.

"(2) OTHER REGULATIONS ISSUED BY SECRETARY.—Nothing in this section shall be construed to restrict the discretion of the Secretary to continue in force, amend, or further supplement any regulations governing the use of alcohol or controlled substances by commercial motor vehicle employees issued before the date of enactment of this section.

"(3) INTERNATIONAL OBLIGATIONS.—In issuing regulations under this section, the Secretary shall only establish requirements that are consistent with the international obligations of the United States, and the Secretary shall take into consideration any applicable laws and regulations of foreign countries.

"(f) APPLICATION OF PENALTIES.—

"(1) EFFECT ON OTHER PENALTIES.—Nothing in this section shall be construed to supersede any penalty applicable to the operator of a commercial motor vehicle under this title or any other provision of law.

"(2) DETERMINATION OF SANCTIONS.—The Secretary shall determine appropriate sanctions for commercial motor vehicle operators who are determined, as a result of tests conducted and confirmed under this section, to have used, in violation of law or Federal regulation, alcohol or a controlled substance but are not under the influence of alcohol or a controlled substance, as provided in this title.

"(g) DEFINITION.—For the purposes of this section, the term 'controlled substance' means any substance under section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)) specified by the Secretary.".

(2) The table of contents of the Commercial Motor Vehicle Safety Act of 1986 (Public Law 99-570; 100 Stat. 5223) is amended by adding at the end thereof the following:

"Sec. 12020. Alcohol and controlled substances testing.".

(b)(1) The Secretary of Transportation shall design within nine months after the date of enactment of this Act, and implement within fifteen months after the date of enactment of this Act, a pilot test program for the purpose of test-

ing the operators of commercial motor vehicles on a random basis to determine whether an operator has used, in violation of law or Federal regulation, alcohol or a controlled substance. The pilot test program shall be administered as part of the Motor Carrier Safety Assistance Program.

(2) The Secretary shall solicit the participation of States which are interested in participating in such program and shall select four States to participate in the program.

(3) The Secretary shall ensure that the States selected pursuant to this subsection are representative of varying geographical and population characteristics of the Nation and that the selection takes into consideration the historical geographical incidence of commercial motor vehicle accidents involving loss of human life.

(4) The pilot program authorized by this subsection shall continue for a period of one year. The Secretary shall consider alternative methodologies for implementing a system of random testing of operators of commercial motor vehicles.

(5) Not later than thirty months after the date of enactment of this Act, the Secretary shall prepare and submit to the Congress a comprehensive report setting forth the results of the pilot program conducted under this subsection. Such report shall include any recommendations of the Secretary concerning the desirability and implementation of a system for the random testing of operators of commercial motor vehicles.

(6) For purposes of carrying out this subsection, there shall be available to the Secretary $5,000,000 from funds made available to carry out section 404 of the Surface Transportation Assistance Act of 1982 (49 App. U.S.C. 2304) for fiscal year 1992.

(7) For purposes of this subsection, the term "commercial motor vehicle" shall have the meaning given to such term in section 12019(6) of the Commercial Motor Vehicle Safety Act of 1986 (49 App. U.S.C. 2716(6)).

TESTING TO ENHANCE MASS TRANSPORTATION SAFETY

SEC. 6. (a) As used in this section, the term—

(1) "controlled substance" means any substance under section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)) whose use the Secretary has determined has a risk to transportation safety;

(2) "person" includes any corporation, partnership, joint venture, association, or other entity organized or existing under the laws of the United States, or any State, territory, district, or possession thereof, or of any foreign country;

(3) "Secretary" means the Secretary of Transportation; and

(4) "mass transportation" means all forms of mass transportation except those forms that the Secretary determines are covered adequately, for purposes of employee drug and alcohol testing, by either the Federal Railroad Safety Act of 1970 (45 U.S.C. 431 et seq.) or the Commercial Motor Vehicle Safety Act of 1986 (49 App. U.S.C. 2701 et seq.).

(b)(1) The Secretary shall, in the interest of mass transportation safety, issue regulations within twelve months after the date of enactment of this Act. Such regulations shall establish a program which requires mass transportation operations which are recipients of Federal financial assistance under section 3, 9, or 18 of the Urban Mass Transportation Act of 1964 (49 App. U.S.C. 1602, 1607a, or 1614) or section 103(e)(4) of title 23, United States Code, to conduct preemployment, reasonable suspicion, random, and post-accident testing of mass transportation employees responsible for safety-sensitive functions (as determined by the Secretary) for use, in violation of law or Federal regulation, of alcohol or a controlled substance. The Secretary may also issue regulations, as the Secretary considers appropriate in the interest of safety, for the conduct of periodic recurring testing of such employees for such use in violation of law or Federal regulation.

(2) In issuing such regulations, the Secretary shall require that post-accident testing of such a mass transportation employee be conducted in the case of any accident involving mass transportation in which occurs loss of human life, or, as determined by the Secretary, other serious accidents involving bodily injury or significant property damage.

(c) The Secretary shall issue regulations setting forth requirements for rehabilitation programs which provide for the identification and opportunity for treatment of mass transportation employees referred to in subsection (b)(1) who are determined to have used, in violation of law or Federal regulation, alcohol or a controlled substance. The Secretary shall determine the circumstances under which such employees shall be required to participate in such program. Nothing in this subsection shall preclude a mass transportation operation from establishing a program under this section in cooperation with any other such operation.

(d) In establishing the program required under subsection (b), the Secretary shall develop requirements which shall—

(1) promote, to the maximum extent practicable, individual privacy in the collection of specimen samples;

(2) with respect to laboratories and testing procedures for controlled substances, incorporate the Department of Health and Human Services scientific and technical guidelines dated April 11, 1988, and any subsequent amendments thereto, including mandatory guidelines which—

(A) establish comprehensive standards for all aspects of laboratory controlled substances testing and laboratory procedures to be applied in carrying out this section, including standards which require the use of the best available technology for ensuring the full reliability and accuracy of controlled substances tests and strict procedures governing the chain of custody of specimen samples collected for controlled substances testing;

(B) establish the minimum list of controlled substances for which individuals may be tested; and

(C) establish appropriate standards and procedures for periodic review of laboratories and criteria for certification and revocation of certification of laboratories to perform controlled substances testing in carrying out this section;

(3) require that all laboratories involved in the testing of any individual under this section shall have the capability and facility, at such laboratory, of performing screening and confirmation tests;

(4) provide that all tests which indicate the use, in violation of law or Federal regulation, of alcohol or a controlled substance by any individual shall be confirmed by a scientifically recognized method of testing capable of providing quantitative data regarding alcohol or a controlled substance;

(5) provide that each specimen sample be subdivided, secured, and labelled in the presence of the tested individual and that a portion thereof be retained in a secure manner to prevent the possibility of tampering, so that in the event the individual's confirmation test results are positive the individual has an opportunity to have the retained portion assayed by a confirmation test done independently at a second certified laboratory if the individual requests the independent test within three days after being advised of the results of the confirmation test;

(6) ensure appropriate safeguards for testing to detect and quantify alcohol in breath and body fluid samples, including urine and blood, through the development of regulations as may be necessary and in consultation with the Department of Health and Human Services;

(7) provide for the confidentiality of test results and medical information (other than information relating to alcohol or a controlled substance) of employees, except that the provisions of this paragraph shall not preclude the use of test results for the orderly imposition of appropriate sanctions under this section; and

(8) ensure that employees are selected for tests by nondiscriminatory and impartial methods, so that no employee is harassed by being treated differently from other employees in similar circumstances.

(e)(1) No State or local government shall adopt or have in effect any law, rule, regulation, ordinance, standard, or order that is inconsistent with the regulations issued under this section, except that the regulations issued under this section shall not be construed to preempt provisions of State criminal law which impose sanctions for reckless conduct leading to actual loss of life, injury, or damage to property, whether the provisions apply specifically to mass transportation employees, or to the general public.

(2) Nothing in this section shall be construed to restrict the discretion of the Secretary to continue in force, amend, or further supplement any regulations governing the use of alcohol or controlled substances by mass transportation employees issued before the date of enactment of this Act.

(3) In issuing regulations under this section, the Secretary shall only establish requirements that are consistent with the international obligations of the United States, and the Secretary shall take into consideration any applicable laws and regulations of foreign countries.

(f)(1) As the Secretary considers appropriate, the Secretary shall require—

(A) disqualification for an established period of time or dismissal of any employee referred to in subsection (b)(1) who is determined to have used or to have been impaired by alcohol while on duty; and

(B) disqualification for an established period of time or dismissal of any such employee determined to have used a controlled substance, whether on duty or not on duty, except as permitted for medical purposes by law or any regulations.

(2) Nothing in this section shall be construed to supersede any penalty applicable to a mass transportation employee under any other provision of law.

(g) A person shall not be eligible for Federal financial assistance under section 3, 9, or 18 of the Urban Mass Transportation Act of 1964 (49 App. U.S.C. 1602, 1607a, or 1614) or section 103(e)(4) of title 23, United States Code, if such person—

(1) is required, under regulations prescribed by the Secretary under this section, to establish a program of alcohol and controlled substances testing; and

(2) fails to establish such a program in accordance with such regulations.

This Act may be cited as the "Department of Transportation and Related Agencies Appropriations Act, 1992".

Mr. LAUTENBERG. Mr. President, I am told that the distinguished Senator from New York, the ranking member of the Subcommittee on Transportation, is trying to join us. He is a member of the Intelligence Committee and is involved in a hearing there of which I think everyone is aware.

Mr. President, as the chairman of the Transportation Appropriations Subcommittee, it is my pleasure to bring before the Senate H.R. 2942, the appro-

priations bill for the Department of Transportation and related agencies for fiscal year 1992. I am proud of this bill. This is a good bill. This bill is the result of a careful and diligent examination of the budget requests proposed by the President and the requests of many Senators and concerned citizens. The bill was produced after extensive testimony received during numerous hearings over a 3-month period on 11 separate agencies within the Department of Transportation.

Mr. President, the purpose of the Transportation Appropriations bill is to protect and enhance our Nation's basic transportation infrastructure. Our challenge in meeting this mission gets tougher and tougher with each passing year. The Transportation Subcommittee is charged with providing adequate operating and procurement funding for the Coast Guard and the FAA, while simultaneously investing in our Nation's basic transportation infrastructure—its highways, airports, and mass transit systems.

As a Nation, Mr. President, we have let our attention to infrastructure slip. Since the early 1980's, the Federal share of infrastructure investment has declined and State and local infrastructure investments have not always picked up the slack, and it has not been easy. They have not been able to do so in most cases. Despite dramatic growth in the volume of air traffic, we have not added one new airport to our national aviation system in 16 years. Mr. President, we are now paying the price for our lax attention to these infrastructure needs. Our Nation's roads and skies are experiencing unprecedented levels of congestion. Long waits on the highway are now accompanied by long waits on the runway.

Inadequacies in our transportation system are not merely a matter of personal inconvenience. These deficiencies threaten the economic viability of our Nation. They hamper our ability to move products, to produce jobs, and, ultimately, to compete in the international marketplace.

The bill before us, I am pleased to say, takes some critical steps to address our infrastructure needs, not only by investing in our traditional highway, aviation, rail, and water programs but in investing in important projects utilizing new technologies that will be critical to the transportation needs of the future—technologies such as magnetically levitated rail systems, intelligent vehicles/intelligent highway systems, and the complete electrification of the Northeast corridor. These technological enhancements all promise to relieve congestion both on the highways and in the air, as well as reduce air pollution and improve mobility.

The bill before us obligates the full amount authorized for the airport improvements grants program, $1.9 billion; and sets the Federal-aid obligation ceiling at almost $17.1 billion. These funds will benefit every State and enable every region of the country to get on with the important job of fixing the crumbling roads and bridges and expanding our airports' ground capacity. The bill also includes more than $7 billion for operations, acquisitions, and research for the Federal Aviation Administration and proposes more than $3.5 billion in operations, acquisitions, and research for the Coast Guard.

These funds will ensure safety in the air and at sea and move these agencies forward in executing their critical responsibilities.

Mr. President, while I am pleased with the package before us, I must admit that the Subcommittee on Transportation faced some very difficult choices. I want to thank each member of the subcommittee for their support and forbearance through the process.

I saw the chairman of the Appropriations Committee, Senator BYRD, here just a minute ago, and I wanted to particularly say thanks to him for his ever present support on issues of funding for infrastructure and transportation.

We believe this bill represents a responsible and balanced package, given the constraints of the budget resolution and our allocation, and considering the large number of requests we received from our colleagues. Obviously, we were not able to provide for every request. We have, however, done the best we could to accommodate Members' priorities.

OVERVIEW

As stated, the transportation subcommittee had a discretionary spending ceiling of $13.9 billion in budget authority and $31.8 billion in outlays. The bill before us, as scored by CBO, spends the entire allocation both in budget authority and outlays. For that reason, any amendment changing funding levels in the bill will require offsets that are neutral in both budget authority and outlays.

The President's budget for transportation proposed several cuts, some of which were devastating to certain critical programs.

These cuts were achieved largely by severely reducing operating subsidies for Amtrak, eliminating highway demonstration projects, and cutting mass transit operating subsidies by approximately three-fourths.

The administration's proposal did include increased funding for the Coast Guard's operating and capital expenses, and increases for the Federal Aviation Administration's operating and capital accounts.

In other words, Mr. President, as in previous years, the President's budget proposed to pay for the recognized necessary increases for the Coast Guard and the FAA by severely reducing financial assistance for mass transit and Amtrak, and by reducing highway expenditures as well.

Mr. President, allow me to present a few highlights of the bill before us.

COAST GUARD

For the Coast Guard, the bill provides more than $3.2 billion in new budget authority, to be supplemented by transfers between the Coast Guard and the Defense Department, yielding a total program level in excess of $3.5 billion. These transfers from DOD are similar to those executed in previous years to further the Coast Guard's national defense mission, including drug interdiction. After all transfers are accounted for, Coast Guard operating expenses will be funded at the House-passed level. This will provide a funding increase well in excess of inflation in order to allow the Coast Guard to fully implement the Oil Pollution Act of 1990, as well as execute its many other missions, including drug interdiction, search and rescue, vessel and shore facilities inspections, and boating safety. Funding for Coast Guard acquisitions will be 11 percent above the House-passed level and will include many critical programs to help the Coast Guard restore its deteriorating shore facilities and replace aging vessels and aircraft. For too long, Mr. President, we have asked the Coast Guard to do more with less, but this bill continues our efforts to adequately compensate the Coast Guard for its ever growing list of responsibilities.

HIGHWAYS

In the Federal Highway Administration, I would note that the bill before us has an obligation ceiling of $17.1 billion, an increase of $2.6 billion over last year. I believe that this is a positive affirmation that, given the resources, this subcommittee will make the much needed investments in our Nation's crumbling roads and bridges and will make every effort to relieve congestion and provide an efficient, safe highway system. This obligation ceiling is distributed according to a prescribed authorization formula: So the increased spending will benefit each and every State.

AMTRAK

For Amtrak, the bill contains, $331 million for operations, $145 million in mandatory retirement payments, and $180 million for capital grants. The bill is consistent with the committee's goals of weaning Amtrak of its operating subsidy while providing adequate support for capital acquisitions in order to boost revenues and move Amtrak toward self-sufficiency. The bill also includes funding for improvements to the Northeast corridor, including the electrification of the final segment from New Haven to Boston. This project represents the single largest enhancement to intercity rail service in the United States in many years. It

promises to greatly reduce air and highway congestion throughout the northeast, as well as minimize air pollution in the region. It will also further improve Amtrak's profitability, and thus further minimize the need for a Federal operating subsidy.

FEDERAL AVIATION ADMINISTRATION

For the FAA, the bill provides an increase of $345 million for operations, an increase of 8.5 percent over the 1991 enacted level. This includes funding for an additional 450 air traffic controllers; 136 additional safety inspectors; 100 additional aircraft certification personnel; and 178 additional civil aviation security staff.

In the facilities and equipment area for FAA, the bill provides $2.56 billion, or $462 million more than the enacted 1991 level. Most of this will go to the modernization and expansion of our national airspace system by upgrading our air route traffic control centers, airport towers, and flight service facilities.

In the research area, there is $34.9 million to support continued research and development of automated explosive and sabotage detection systems, which is $3 million more than the administration's request.

For the airport improvement grants program, the bill contains $1.9 billion, which is the fully authorized level.

URBAN MASS TRANSPORTATION ADMINISTRATION

Finally, Mr. President, in the transit area, the bill continues transit operating assistance at $802 million; and contains $117 million for the rural transit program, almost double last year's level; $524 million for new starts; and $524 million for modernization of our older transit systems. All of these amounts follow the prescribed formulas contained in the recently passed surface transportation bill.

Once again, Mr. President, I want to thank all of the members of the subcommittee for their assistance with this bill, and I particularly want to thank Senator D'AMATO, the ranking member of the Transportation Subcommittee, for his cooperation and thoughtful input.

I, again, note the importance of the assistance that we received from the chairman of the Appropriations Committee, Senator BYRD, who as everyone knows is a staunch, steadfast advocate for increased investment in our Nation's infrastructure. He—like I and many here—believes that it is one of the most significant investments that we can make in our country in terms of our domestic needs, to be able to provide jobs, economic development, and at the same time provide an opportunity to compete more effectively in the international arena.

Mr. President, again, Senator D'AMATO is on his way, and when he arrives, he intends to make his statement. So we will proceed at the time when he arrives, and we will give him the opportunity to speak.

I again note, Mr. President, that this bill as scored by the Congressional Budget Office is right at the 602(b) allocation, so any amendment affecting budget authority or outlays will have to be accompanied by an offset.

I am pleased to be accompanied by Senator D'AMATO, the ranking member of the subcommittee, and I am pleased to have Senator D'AMATO here to now make his remarks. And I would call on Senator D'AMATO at this moment for his statement, my colleague and friend, the ranking member of the subcommittee.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. D'AMATO. Mr. President, let me say that I want to take this opportunity to commend my distinguished colleague, the chairman of the Subcommittee on Transportation Appropriations, Senator LAUTENBERG, for the magnificent job that he has undertaken with a great staff to put together this bill.

This is not an easy bill. There are many requests and varied interests. There are cutbacks that have been made in the budget. So a reallocation of the scarce resources in dollars is not always easy, but I want you to know that Senator LAUTENBERG has done a great job in coming up with this bill.

The bill provides $14.4 billion in appropriations for the Department of Transportation and related agencies during fiscal year 1992. The bill also provides $20.9 billion in obligation limits on transportation funds, such as the highway trust fund, and the airport and the airways trust fund.

Chairman LAUTENBERG and his fine staff, Pat McCann, Peter Rogoff, and Joyce Rose have worked hard to put this bill together, and I compliment them. And I thank the minority staff, Anne Miano and Dorothy Pastis, for their fine work.

I know that the chairman, and the full Appropriations Committee have tried to accommodate Members' requests to the fullest degree possible. New scoring of the bill by the Congressional Budget Office requires us to trim $10 million from our totals in order to stay within our allocation. I believe the chairman will offer an amendment to do so. Once that is done, we will have fully spent our 602(b) allocation of budget authority and outlays under the Budget Act. Thus, any additional amendments that add funds would require offsets.

There are many features of H.R. 2942 that deserve mention, but I would like to highlight the provisions requiring alcohol and drug testing, including random testing, of transportation workers in safety sensitive jobs. I am pleased that the Transport Workers Union has publicly agreed in principle to the need for these tests. The Mothers Against Drunk Driving strongly supports this legislation. MADD points out the pervasive nature of alcohol abuse in our society with statistics showing that in 1990, 22,083 highway deaths (49.6 percent) were in alcohol-related accidents out of a total of 44,529 highway deaths. However, some people still argue that drug and alcohol testing of transportation workers in safety sensitive positions is an undue invasion of privacy, and that it is fraught with opportunity for employee harassment. For those who feel that way, I would like to mention some facts.

Just after midnight on August 28, in New York City, a subway train traveling at high speed derailed near the Union Square Station. Five people were killed and more than 200 were injured. Police, fire, and emergency medical service personnel risked their health and safety in helping evacuate the dead and injured under hellishly hot and smoky conditions. The motorman who operated the train left the scene and was later arrested and found to have a blood alcohol content of 0.21. In New York, a person with a blood alcohol content of 0.10 is considered legally drunk. The motorman is now awaiting trial on murder charges. If this accident had occurred on a crowded train during peak hours, the deaths and injuries would have been enormous.

We must have a complete program of alcohol and drug testing for transportation workers in safety sensitive jobs. I added an amendment to H.R. 2942 that requires the Secretary of Transportation to issue such rules for mass transit employees. My amendment is virtually identical to language passed by the Senate on June 19 in the highway bill, S. 1204. It covers four kinds of testing: Preemployment, reasonable suspicion, random, and postaccident. The Urban Mass Transportation Administration had issued a similar rule in 1989, but it was struck down by the Court of Appeals for the District of Columbia in January 1990 on the grounds that the agency lacked the legal authority to issue it. I added an amendment to our fiscal year 1991 DOT appropriations bill to remedy this problem, but it was killed by the House in conference. This year will be different.

In full committee, my distinguished colleague, Senator HOLLINGS added an omnibus drug testing provision to H.R. 2942 which covers safety sensitive jobs in the airline, railroad, commercial motor vehicle areas, as well as mass transit. Senators HOLLINGS and DANFORTH have worked tirelessly on this issue and their drug testing legislation has passed the Senate 11 times since 1987. I asked Senator HOLLINGS to sever his amendment from mine, which he did, in order to assure that the transit provision is not tied up in House juris-

dictional battles during conference on this bill.

It is important to note that rehabilitation is a vital element of any successful testing program. Our bill requires the Secretary of Transportation to issue rules to provide employees with an opportunity to seek treatment. The Secretary in promulgating these regulations also must safeguard employees' privacy to the maximum extent possible. To further protect employees' rights, the bill provides that the laboratories and testing procedures used must satisfy the scientific and technical guidelines issued by the Department of Health and Human Resources guidelines on April 11, 1988, as amended.

Mr. President, I ask unanimous consent to print in the RECORD a copy of Secretary Skinner's letter to Chairman LAUTENBERG in support of the drug and alcohol testing language.

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

THE SECRETARY OF TRANSPORTATION,
Washington, DC, September 12, 1991.

Hon. FRANK R. LAUTENBERG,
Chairman, Subcommittee on Transportation, Committee on Appropriations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The recent devastating subway crash in New York City underscores the need for rapid action by Congress to establish authority for meaningful drug and alcohol control programs in the mass transit industry. Senator Alfonse D'Amato has now developed a proposal for addition to the pending Department of Transportation (DOT) and Related Agencies Appropriations bill. We support his approach because it addresses the single statutory deficiency we face, and will enable immediate corrective action for transit without embroiling Congress in broader controversy that can delay a rapid solution.

Since the January 1990 federal appellate court ruling that current Urban Mass Transportation Administration (UMTA) drug-test authority is deficient, the Administration has twice proposed corrective statutory provisions. As a general matter, the Administration opposes the addition of legislative provisions to appropriations bills. However, the threat of drug and alcohol abuse in mass transit warrants this action.

Senator D'Amato has chosen language that has passed the Senate on numerous occasions, most recently as an amendment to the "Surface Transportation Efficiency Act of 1991" (S. 1204). Section 266 of that Act mandates transit drug control programs within one year of enactment which are consistent with the rules that were issued by DOT in December 1988 and which can be swiftly re-issued. This section also authorizes the Department to require alcohol testing programs.

We have one substantial concern about the random testing requirements of Section 266. Among other things, this language would require random testing for alcohol, as well as controlled substances. This raises Fourth Amendment issues regarding "unreasonable searches" that may well be more difficult to meet in the case of a "legal" substance (alcohol or other controlled substances whose presence in the blood-stream is not in itself a violation of law versus illegal drug metabolites) where impairment is the issue (not simply illegal use). A more promising alternative, which could easily be substituted in the bill, would be "performance-related testing" for alcohol (*i.e.*, the possibility that a test for alcohol or any controlled substance, legal or illegal, might be required closely related in time to the performance of safety-related duties and random testing only for substances whose presence in the blood-stream is itself illegal).

I would like to stress two favorable aspects of Section 266. First, the requirements of Section 266(c) for rehabilitation programs call for the "opportunity for treatment of employees" in need of assistance, but not for mandatory rehabilitation. While the programs we have implemented provide for the possibility of allowing an employee to return to safety-sensitive duties following rehabilitation, the basis for doing so is a matter for collective bargaining between labor and management.

In addition, decisions as to what rehabilitation opportunities should be offered and at whose expense are all elements of collective bargaining for each local transit system. These are difficult decisions that vary with workforce size (small transit grantees may not be able to hold open an operator position during rehabilitation), health insurance coverage of rehabilitation, industry philosophy, and community values. We would not object to language clarifying that collective bargaining on such matters is not affected by the statutory provisions, as long as it is equally clear that grantees and employees cannot mutually agree to eliminate random or other testing from their programs or otherwise reach an agreement contrary to our regulations.

Second, we favor the Section 266(e) which clearly preempts state or local law or policy that differs from the new requirements (without disturbing state sanctions for reckless behavior such as drunk-driving offenses). This language is necessary because public transit riders should not be disadvantaged because state statutory requirements do not recognize the special safety concerns in the transportation workplace. Also, an exception here could lead to pressure for exceptions in other transportation modes.

We appreciate the opportunity to comment on this important issue. The Office of Management and Budget has advised that, from the standpoint of the Administration's program, there is no objection to the submission of this report to the Committee.

Sincerely,

SAMUEL K. SKINNER.

Mr. D'AMATO. Mr. President, H.R. 2942 also will provide $26 million to the New York Metropolitan Transportation Authority for a long-awaited project to improve communications within the subway system for police and emergency workers. Currently, those employees cannot speak directly with their safety and law enforcement counterparts on the surface. These moneys will make rescue, evacuation, and safety procedures easier to carry out.

Another provision in the bill will provide $11.3 million to connect New York City's 63d Street Subway Tunnel with the overcrowded subway lines; that is, the "E" and "F" lines in Queens, NY. This project will increase passenger capacity more than tenfold, from 2,100 peak hour riders to nearly 24,000 peak hour riders. New York will pay 50 percent of the total costs of this $612 million project. The Urban Mass Transportation Administration supports this project as one of the Nation's most cost beneficial transit projects.

Our bill also continues $802 million in Federal operating aid to small and large transit authorities. For Buffalo, NY, this will mean about $6 million, and for New York City, it translates to about $94 million. This provision will prevent service cuts and fare increases to many millions of transit riders, including poor, elderly, and handicapped riders who depend on mass transit.

The chairman has already outlined many of the funding features of our bill. I believe it is a sensible package that will permit DOT to go forward with many vital programs and important projects during the coming fiscal year. I thank the chairman, Senator LAUTENBERG, for his fine work.

Mr. President, I urge my colleagues to vote for this bill.

Mr. LAUTENBERG. Mr. President, I thank the distinguished ranking member of the subcommittee and again acknowledge his input and cooperation in getting this bill to this point. We worked cooperatively together on behalf of not only our State and region but our country, and both of us acknowledge the fact that infrastructure investment is perhaps one of the most important things that we can do. Would that we had even higher funding for this type of investment. We hope that one day the Transportation appropriations bill will get the appropriate level of investment to make our country competitive again.

Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc, that they be considered as original text for the purpose of further amendment, and that no points of order be waived thereon.

The PRESIDING OFFICER (Mr. KOHL). Without objection, it is so ordered.

The committee amendments were agreed to en bloc.

GLENDALE AIRPORT

Mr. MCCAIN. Will the Senator from New Jersey yield for a moment to enter into a colloquy with myself and with the distinguished ranking member, Mr. D'AMATO?

Mr. LAUTENBERG. I would be pleased to yield.

Mr. MCCAIN. It is my understanding that funding is included in the bill for expansion of the Federal Aviation Administration's contract tower control program and that these moneys have been earmarked for the operation of contract towers at certain airports around the country.

Mr. LAUTENBERG. The Senator is correct.

Mr. MCCAIN. I would like to bring to the attention of the chairman and the ranking member of the Transportation

Appropriations Subcommittee a similar project at Glendale Municipal Airport in Glendale, AZ. Unfortunately, due to budgetary limits, no funds were available for the 1992 fiscal year. It is my understanding that it is the committee's intent that if any airport is unable to or chooses not to participate in the contract tower program or if there should be any problem funds remaining, that Glendale Airport would receive priority and those funds would be reprogrammed to incorporate Glendale into the contract tower program, up to a limit of $220,000.

Mr. LAUTENBERG. The Senator is correct, and I appreciate his bringing this matter to my attention. My understanding is that, according to the FAA, the Glendale project has a high cost to benefit ratio. The FAA informs me that the project has a 0.80 rating for 1990 and that it is expected to have a rating of over 1.0 in 1991.

Mr. D'AMATO. It is also my understanding that the FAA supports this project, as does the Transportation Subcommittee.

Mr. McCAIN. That is correct. I thank the distinguished chairman of the subcommittee and the Senator from New York [Mr. D'AMATO] for their consideration and assistance and for their continuous support of the State of Arizona.

KANSAS CITY BUS GRANT APPLICATION

Mr. BOND. I would like to thank the distinguished chairman of the subcommittee, and the ranking member, for engaging in this colloquy. As the chairman knows, the Kansas City, MO, Area Transit Authority in conjunction with Johnson County, KS, have an acute need to replace a large number of buses that are well beyond their useful life. Because of an incredible demand for discretionary bus funds in this fiscal year, a section 3 application submitted by the Area Transit Authority [ATA] could not be approved by UMTA.

Since this decision was made very recently by UMTA, I was unable to bring this matter to the committee's attention at an earlier point in time. The conference committee will meet soon after the Senate completes consideration of H.R. 2942. It is my hope that if the conferees highlight bus projects that are of particular importance to the committee, that the chairman would consider including this project in that category.

Mr. LAUTENBERG. I am aware of the problem the Senator from Missouri has described and I commend him for bringing it to the committee's attention. As the Senator has noted, the demand for discretionary bus funding was particularly strong in fiscal year 1991, and as a result, a number of worthy projects did not receive funding.

It is my understanding that this project is important to the Kansas City Area Transit Authority's efforts to provide accessible service for the elderly and the handicapped and to meet Clean Air Act goals. I want to assure the Senator that I will be happy to work with him during the conference and in the coming year to try to ensure funding for this important project.

Mr. D'AMATO. I concur with the chairman's comments and assure my colleague from Missouri that I will also do all I can to help ensure funding for this critical project.

Mr. BOND. I greatly appreciate the assurances of the chairman and the ranking member and thank them for their help on this and the other vital Missouri transit projects included in the DOT appropriations bill for fiscal year 1992.

Mr. SASSER. Mr. President, the Senate Budget Committee has examined H.R. 2942, the Transportation appropriations bill as reported from committee, and has determined that the bill is under its 602(b) budget authority allocation by $131 million and over its 602(b) outlay allocation by $1 million.

It is my understanding that the distinguished manager of the bill, Senator LAUTENBERG, will offer an amendment to bring the bill under its 602(b) outlay allocation. I compliment Senator LAUTENBERG and the distinguished ranking member of the Transportation Subcommittee, Senator D'AMATO, for all of their hard work.

Mr. President, I have a table prepared by the Budget Committee which shows the official scoring of the Transportation appropriations bill and I ask unanimous consent that it be printed in the RECORD at this point.

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

SENATE BUDGET COMMITTEE SCORING OF H.R. 2942

TRANSPORTATION SUBCOMMITTEE—SPENDING TOTALS

[Senate reported in billions of dollars]

Bill summary	Budget authority	Outlays
H.R. 2942:		
New BA and outlays	14.4	12.2
Enacted to date	0	20.1
Adjustment to conform mandatory programs to resolution assumptions		
Scorekeeping adjustments/PLR's	0	0
Bill total	14.4	32.3
Senate 602(b) allocation	14.4	32.3
Total difference		
Discretionary:		
Domestic	13.9	31.8
Senate 602(b)	13.9	31.8
Difference		
International	0	0
Senate 602(b)	0	0
Difference	0	0
Defense	0	0
Senate 602(b)	0	0
Difference	0	0
Total discretionary spending	13.9	31.8
Mandatory spending	.5	.5
Mandatory allocation	.5	.5
Difference	0	0

TRANSPORTATION SUBCOMMITTEE—SPENDING TOTALS—Continued

[Senate reported in billions of dollars]

Bill summary	Budget authority	Outlays
Discretionary total above (+) or below (−):		
President's request	−.7	.6
Senate-passed bill	NA	NA
House-passed bill	.3	

AMENDMENT NO. 1144

(Purpose: To make a technical correction)

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

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] proposes an amendment numbered 1144.

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

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

The amendment is as follows:

On page 85, line 13 strike "data" and insert "date".

Mr. LAUTENBERG. Mr. President, I ask that the amendment be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment (No. 1144) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1145

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

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] proposes an amendment numbered 1145.

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

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

The amendment is as follows:

On page 20, line 6 strike "$17,098,460,000" and insert "$17,092,610,000".

Mr. LAUTENBERG. Mr. President, this is a technical amendment. The amendment will reduce the Federal highway obligation ceiling by $5,850,000. The amendment is necessary to bring the bill within its 602(b) budget allocation.

After we had our markup in the full committee, we were informed that a change in scoring by the Congressional Budget Office increased the outlays charged against the bill by slightly

over $1 million. Preliminary scoring by CBO had the bill slightly under its 602(b) outlay allocation. Though there were no amendments in full committee that affected scoring, CBO has revised its estimates of the outlays. This amendment puts the bill back in compliance with its allocation.

I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate?

If not, the question is on agreeing to the amendment of the Senator from New Jersey.

The amendment (No. 1145) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1146

(Purpose: To make a technical change deleting a word from the bill)

Mr. LAUTENBERG. Mr. President, I send an amendment to the desk and ask for its immediate consideration. This is a technical amendment.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG] proposes an amendment numbered 1146.

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

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

The amendment is as follows:

On page 80, line 11, strike the word "drug".

Mr. LAUTENBERG. Mr. President, this amendment simply inserts a word change. It deletes the word "drug" from a sentence. In doing so, it clarifies the right of labor to bargain not only as to drug testing but as to alcohol testing as well. Without this amendment this provision might erroneously be interpreted to prohibit bargaining over aspects of alcohol testing.

Mr. D'AMATO. Mr. President, I am strongly supportive of the amendment and it makes sense.

Mr. LAUTENBERG. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is agreeing to the amendment.

The amendment (No. 1146) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1147

(Purpose: Relating to the designation of Chief Financial Officers in certain departments and agencies)

Mr. LAUTENBERG. Mr. President, I have an amendment by Senator GLENN. It is technical in nature, and we send the amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The bill clerk will report the amendment.

The bill clerk read as follows:

The Senator from New Jersey [MR. LAUTENBERG], for Mr. GLENN, proposes an amendment numbered 1147.

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

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

The amendment is as follows:

On page 73, strike out lines 18 through 22.

Mr. GLENN. Mr. President, this amendment would strike section 340 of H.R. 2942. The amendment would strike language from the bill that would amend the Chief Financial Officers [CFO] Act of 1990.

The Governmental Affairs Committee, which I chair, worked 6 years to develop and secure passage of the CFO Act. This year the committee is proud to be overseeing the act's initial implementation.

The provisions that I propose striking today would give the Secretary of Transportation the discretion to appoint a career official to be the agency CFO instead of a Senate confirmed political appointee, as required by the CFO Act. Needless to say, this change would reverse a congressional decision of just a year ago that agency CFO's for the 16 major departments and agencies should be appointed by the President with the advise and consent of the Senate.

My first reason for opposing this provision is that I do not believe an appropriations bill is the proper vehicle for addressing a substantive requirement of the CFO Act, which of course is within the jurisdiction of the Governmental Affairs Committee.

My second reason for moving to strike this provision is that while the Department of Transportation may have good reasons for its proposal, changing the CFO Act in this way raises important questions about the congressional intent behind the decision of a year ago that the Department of Transportation CFO be appointed by the President with the advise and consent of the Senate, and not a career official.

I can assure Secretary Skinner that I will seriously consider his proposal. But I will do so in the context of a more straightforward review of the CFO Act requirements that are guiding all 23 agencies covered by the act.

It is my understanding that the Department of Transportation has agreed to the withdrawal of this proposal. I look forward to working with the Department on this and other important CFO issues.

Mr. LAUTENBERG. Mr. President, this amendment strikes section 340 as originally reported by the committee, which would have allowed the Department of Transportation to designate a civil servant as its chief financial officer. This language was requested by Secretary of Transportation Samuel Skinner to allow a career civil servant serving in this position to continue as the Department's financial officer.

It has come to my attention the exemption requested by the Department from the Chief Financial Officer's Act is opposed by the authorizing committee, the Governmental Affairs Committee, the committee of jurisdiction. So this amendment strikes section 340, and I am not aware of any objections to it.

Mr. D'AMATO. I have no objection.

Mr. LAUTENBERG. Therefore, I move adoption of this amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1147) was agreed to.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1148

(Purpose: To allow sole-source contracting authority for the Air Traffic Control Tower located at Standiford Field, Louisville, KY)

Mr. LAUTENBERG. Mr. President, I have an amendment here offered by Senator FORD which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk is as follows:

The Senator from New Jersey [Mr. LAUTENBERG], for Mr. FORD, proposes an amendment numbered 1148.

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

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert: ": *Provided further*, That funds appropriated under this heading for this or prior years are available for the Federal Aviation Administration to enter into sole source procurement with the Regional Airport Authority of Louisville-Jefferson County, Kentucky to design and construct an air traffic control tower at Standiford Field, using current Federal Aviation Administration control tower specifications.".

Mr. FORD. Mr. President, the Regional Airport Authority of Louisville-Jefferson County, KY, is the recipient of a multimillion-dollar Federal Aviation Administration Letter of Intent to fund the construction of two new runways. In order to construct the new runways, it is necessary to replace the old air traffic control tower in a new location.

Current Federal Aviation Administration budget procedures make it im-

possible for the FAA to construct the tower in less than 3 years. This amendment would allow the FAA to contract with the Louisville-Jefferson County Regional Airport Authority for the sole-source contract in order to expedite the construction of the new air traffic control tower.

Mr. LAUTENBERG. Mr. President, I move that the amendment be adopted.

The PRESIDING OFFICER. Is there further debate?

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

The amendment (No. 1148) was agreed to.

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

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERRY. Mr. President, first of all I would like to thank the distinguished Senator from New Jersey [Mr. LAUTENBERG] and the Senator from New York, but particularly the Senator from New Jersey [Mr. LAUTENBERG] for a number of things.

This is a very important appropriations bill because it really reflects some real thought about where we have to move in the context of our transportation policy in the country. I think the Senator from New Jersey has been one of the quiet and perhaps even unheralded leaders in the Senate and in the Congress on that subject.

The reason I particularly want to thank him is that he has once again, in this bill, funded one of the most important, if not the most important, transportation projects in the congested Northeast ridge of the country. Included in this bill is very important funding to continue Amtrak's project to reduce the travel time between New York City and Boston to 3 hours or less by high-speed rail. And this is funded under the Northeast corridor improvement project.

Currently it takes about 4 hours and 40 minutes by regular train, about 4 hours by express train to travel between the two cities.

Three-hour service between the two cities will have a significant beneficial impact on the regional transportation system, on air quality and on the economy of the Northeast. In the process, it will provide an important boost for high-speed rail development in this country. It will position Amtrak, which provides the most energy-efficient and environmentally benign transportation—to be the travel mode of choice between Washington and Boston, ease growing congestion at the region's airports and on the interstate highways, and provide travelers with an enjoyable, civilized alternative for traveling to the major cities of the Northeast. In the process, the surge in ridership and revenues will further enable Amtrak to reduce its needs for financial operating support from the Federal Government.

Mr. President, this project is critical from a number of standpoints. The Northwest has a serious air quality problem which will make compliance with the new Clean Air Act standards difficult. Moving travelers out of cars and airplanes onto trains would result in important improvements in the region's air quality. The Coalition of Northeastern Governors [CONEG] which has helped to spearhead this project, believes that this project is essential if Clean Air Act attainment standards are to be met.

Second, anyone who has traveled to or from Logan International Airport has experienced firsthand the enormous congestion that is choking air transportation. The major highways of the Northeast are no better. Indeed, just getting to Logan and other airports, let alone flying out of them, is difficult. Yet, where are 20–30 percent of flights out of Logan going? To New York area airports. Use of airplanes for such short distance travel is energy inefficient and undermines Logan's ability to serve longer distance markets. Amtrak estimates that in excess of 3 million additional passengers would use its rail line if it can provide 3-hour service. Most of these passengers would otherwise fly. CONEG has found that 50 shuttle flights a day could be eliminated and 10 gates freed at Logan if Amtrak is able to complete its project. In an era of $5 billion airport construction, easing congestion for just a fraction of the price of airport or highway expansion makes sound public policy.

Third, completion of this project, and the development of high-speed rail in this country, would have important regional and national economic benefits. For the region, it means construction jobs, a more efficient and less congested transportation system, and substantial economic activity. However, because nearly half of the costs of the project are for equipment and materials, the project would also mean an important boost for the railroad supply industry across the country and development of materials that are critical for high-speed passenger operations.

In this regard, the project would represent an important boost for high-speed transportation in this country. Completion of the project would enable the first 150-mile-per-hour rail passenger operations in this country. Amtrak intends to use new tilt-technology in passenger cars to permit trains to go faster through curves and provide better ride quality for its passengers. Tilt technology has been considered for other rail corridors in the country and this project will enable Amtrak to redesign the equipment to meet American safety standards. The lessons learned and experience gained from the project will be of great benefit to other high-speed rail programs being developed elsewhere in the country.

I believe it is important to note that Amtrak will make money on its New York-Boston trains when this project is completed. The trains will operate at a profit, as they already do in the Northeast corridor. This is not a case of funding a capital project only to create operating losses in the future. This money will be well-spent and will enable Amtrak to reduce its need for Federal operating support.

As you know, Mr. President, I serve on the Senate Commerce, Science, and Transportation Committee, which has oversight over the Northeast corridor improvement project. It is my hope that the committee will hold hearings during this Congress on this project so that its many benefits can further be detailed to members of the committee.

So I want to congratulate the Senator from New Jersey, and I want to thank him for the citizens of the entire Northeast region who are positively affected by this effort. He has been a leader on this and we are very grateful for it.

AMENDMENT NO. 1149

(Purpose: To authorize an additional 40 other-than-full-time equivalent positions for the Volpe National Transportation Systems Center)

Mr. KERRY. I send an amendment to the desk and ask for its immediate consideration. I want to thank the Senator from New Jersey and the Senator from New York for their willingness to accept this amendment.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] proposes an amendment numbered 1149.

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

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 86, between lines 19 and 20, insert the following:

SEC. . Notwithstanding any other provision of this Act, the Volpe National Transportation Systems Center is authorized to hire up to an additional 40 other-than-full-time equivalent positions (FTE) in fiscal year 1992.

Mr. KERRY. Mr. President, very briefly, this amendment does not require any additional expenditure of funds. What it does is permit the Volpe National Transportation Systems Center in Cambridge, MA, to be able to hire on a contract basis up to 40 additional full-time equivalent appointments.

It is budget neutral, because the center contracts out to other agencies of the Federal Government who actually end up paying according to their budgets and their line items, and all of the funding is derived from those working agreements with other agencies.

Although the center is not a line item in the budget, Congress does control a number of Federal employees at the center. Over the last 10 years there has been no increase in the Federal work force at Volpe at all, but there has been a significant increase in the demand for transportation studies, for various shipping systems studies of our ports and so forth around the country. This will enable the Volpe National Transportation Systems Center to meet some of those demands.

The Volpe Center is playing a key role in the Nation's transportation infrastructure while also looking to the future. The center's ability to address major national transportation problems has been sought by agencies across the Federal Government. The center's expertise is currently being tapped for approximately 300 projects. Some of these efforts include an assessment of Amtrak's financial viability, coordinating the Environmental Impact Statement of the FAA expanded east coast plan, preparing a port needs study to prioritize vessel traffic services [VTS] for major U.S. ports, improving the Nation's air traffic management through a state-of-the-art traffic management system, and numerous others.

At a time when the New England economy is suffering severe problems, the center continues to guarantee employment for a number of citizens. Currently, the center provides roughly 1,500 jobs in the New England area—500 Federal and 1,000 contractor employees. It is one of the largest employers in the city of Cambridge. There has been a growing demand for increased services at the center; in fact its workload has grown fourfold in the past decade. Annually, the center performs close to 200 million dollars' worth of work, while having to turn away an equal amount of work due to personnel staffing ceilings that have not changed since the early 1980's.

Consequently, the center has been forced to turn away new projects at a time when citizens and businesses in the area could certainly benefit from the potential work opportunities.

In order to respond to the growing demands placed on its services, the center needs additional hiring flexibility. My amendment to increase the number of FTE's represents a measured approach to meet these increasing demands, while maintaining proper contract oversight for a growing contractor pool.

Mr. President, I would like to make one important statement regarding it, which I know the Senator from New Jersey shares. For better or worse, the Volpe Center falls under the Research and Special Programs Administration, which is known as RSPA, which is within the Department of Transportation. The subcommittee's report very accurately asserts that RSPA has been irresponsible in its accounting and it has ignored requests for information by Congress. Frankly, it has dragged the Volpe Center and other entities into that umbrella of its unwillingness to be responsible.

For example, 14 months ago, the Volpe Center was requested to provide a report outlining their future plans. And did so within 6 months. To date that report still languishes at RSPA, which is not, in our view, responsive to the demands of the Congress. There is considerable merit to the assertions by the committee that RSPA really deserves to be dealt with severely by the Congress. They have engaged in unauthorized reprogramming within offices, funds have been used unwisely and wastefully for new office furniture for the administrator and for unnecessary staff travel, and they have failed to submit other reports in a timely fashion.

I am grateful to the chairman for not penalizing the Volpe Center as a consequence of RSPA's unwillingness to respond. But I am very sympathetic with his desire to want to send a very strong message to RSPA that that kind of behavior cannot be tolerated and will not be tolerated by the Congress.

I want to express my appreciation to the Senator again, for his sensitivity to the transportation needs of the New England region. He has really been very important to our future and we are very grateful for it.

Mr. LAUTENBERG. Mr. President, I thank the Senator from Massachusetts for his comments. We do both share a deep interest in the transportation needs of the region. Massachusetts, like my State, is one of the most congested States in the country and without adequate transportation systems it is hard to get to work, it is hard to get to business, it is hard to get home on time.

What we want to do is improve travel between the major cities in the region—we just have to have improved mobility in these areas.

It is a pleasure to work with Senator KERRY on the numerous issues that he brings to my attention for Massachusetts and the New England region.

I am willing to accept the Kerry amendment. It provides 40 positions for the Volpe Center. Originally we had a request for 75. Normally a staffing ceiling of this kind would not be a contentious issue. But unfortunately, this committee has had a very unhappy history with the Volpe Center's parent agency that requires me to carefully scrutinize any proposal to provide increased staffing resources at this time.

The issue of staffing levels at the Transportation Systems Center came to the committee's attention last year as we were reviewing the budget of the Research and Special Programs Administration, known as RSPA.

In response to numerous questions that we had about the future direction and staffing needs of the center, the committee requested the Secretary of Transportation to submit a report with the fiscal year 1992 budget request discussing his future plans for this center. The report was to provide a detailed discussion of the future staffing needs of the Transportation Systems Center.

It is now mid-September, 14 months after we requested this report. The report is now 7½ months late. We have been informed by DOT that we should not expect the report any time in the near future, even though the committee requested that the report be included as part of the President's 1992 budget.

The budget included a request for roughly a 15-percent boost in staffing without providing the requested information.

Mr. President, I cannot support the full request to boost staffing at the research center when the administration cannot articulate for the committee a future plan for the center, or discuss its staffing needs. The committee's recent experience with the Transportation Systems Center and its parent agency, the Research and Special Program Administration, requires me to examine proposals very closely to provide this agency with any greater staffing flexibility.

We are suspicious. We are concerned about the fact that this agency cannot get us the information we need to make the informed decisions. As the committee report explains, RSPA has abused the flexibility granted to it by the committee over the past 2 years. Examples of such abuse have included numerous instances in which the agency has completely ignored the funding allocations and personnel ceilings established in the appropriations bill.

We have made requests of them to fill a certain number of positions, which they have chosen to ignore. This past year the committee sought the assistance of the General Accounting Office in documenting these abuses. GAO's findings were upsetting. In a number of instances, RSPA completely ignored funding allocations and personnel ceilings provided in appropriations acts and transferred personnel assigned to hazardous materials enforcement or pipeline safety enforcement to the Administrator's office and to other, lower priority areas.

The patterns of abuse by RSPA in ignoring committee funding and personnel commitments were so severe that the committee is now required to finance the agency through six separate appropriations accounts. This is done to ensure that the funding provided in the appropriations bill will be expended as the committee intends. And I intend to continue to carefully monitor this situation in the future.

My discussion here is not meant to detract from the concerns of Senator KERRY. The fact is he is caught in a dif-

ficult place because of the inaction, and the lack of cooperation on the part of RSPA. We will continue to work together with Senator KERRY.

I have no objections to this amendment. I ask my colleague if he has any comment.

Mr. D'AMATO. Mr. President, the committee does recognize the very fine, outstanding work that RSPA has done. I hope they would heed the chairman's admonition. But it does fine work. As a matter of fact they are conducting some very important studies, as relates to the safety system in the New York transit systems, in our subway systems. That study will probably take another year to complete. So I am supportive of this amendment.

Mr. KERRY. Mr. President, I ask unanimous consent that Senator KENNEDY and Senator DODD be added as cosponsors.

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

Mr. LAUTENBERG. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate?

If there be no further debate, the question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment (No. 1149) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. LAUTENBERG. Mr. President, we want to finish this bill this morning. There is no reason that we cannot move expeditiously with it. The bill has answered the requests of Senators, over 80 of them; requests from almost every Member of this body. At this point we are inviting Senators to come to the floor to give us their amendments if they have any. We have a list of several, none of which seems to be contentious.

I urge that the Senators who have indicated their interest in this Transportation bill come to the floor. Let us get on with the business of the Senate. Let us get on with the business of our infrastructure and investments. Let us get on with improving the transportation of this country.

It is rapidly approaching October 1 when this bill will take effect, and we ought not delay consideration of it any further.

I ask my colleague if he has any comments?

Mr. D'AMATO. Mr. President, a number of colleagues have indicated that they have colloquies, or possibly amendments. I urge them to come to the floor so we can dispose of them one way or the other because we can, I believe, in a relatively short period of time, conclude this bill. We are still going to have to go to conference but the sooner we finish this bill the better the opportunity of seeing to it that we can get these moneys into the pipeline.

People are talking about the economy, they are talking about the need for jobs, they are talking about the need for better infrastructure. Right now we have an opportunity to do something in a very substantial way, something within the budget. So I hope, and urge our colleagues to get their amendments in as quickly as possible so we can dispose of them.

AMENDMENT NO. 1150

(Purpose: To direct the Federal Highway Administration to allocate, to the Vermont Agency of Transportation, $170,000 earmarked in the fiscal year 1991 transportation appropriations act for a highway grade crossing demonstration project in White River Junction, VT)

Mr. LAUTENBERG. Mr. President, on behalf of Senator LEAHY, the senior Senator from Vermont, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG], for Mr. LEAHY, proposes an amendment numbered 1150.

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

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

The amendment is as follows:

At the appropriate place in the bill insert: "Unobligated funds in the amount of $170,000 authorized and appropriated under Public Law 101-516 for a highway grade crossing demonstration project in White River Junction, VT, shall be made available to the State of Vermont Agency of Transportation without regard to whether or not such expenses are incurred in accordance with section 106 of title 23 of the United States Code.".

Mr. LAUTENBERG. Mr. President, this request simply directs the Federal Highway Administration to release $170,000 which was provided in the fiscal 1991 Transportation Appropriations Act to the Vermont Agency of Transportation as reimbursement for construction of a highway grade crossing in White River Junction, VT.

This is necessary due to a miscommunication whereby the State of Vermont began construction work on the project before Federal Highway Administration had its opportunity to fully review the plans and specifications. In such a situation under Federal law, the agency is unable to release the funds to the State. The FHWA does not object to allocating these funds to the Vermont project.

In a May 28, 1991, letter to Senator LEAHY, Federal Highway Administrator Larson suggested that a legislative change as provided in this amendment, would clear the agency to reimburse the State for the highway improvements made. I urge the adoption of the Leahy amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1150) was agreed to.

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

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LAUTENBERG. Once again, Mr. President, we ask our colleagues who have amendments to come to the floor with their amendments so we can get done with this bill.

As the Senator from New York pointed out, while the bill does not go into place until it has been in conference with the House and signed into law, it does send a signal to those who are watching these proceedings that we have funding in place; that this bill provides resources where it should; that the messages included in this bill are going to be enacted into law. The longer it is delayed, the more opportunities we see to fiddle with this appropriations bill, and we ought not to do it.

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. BYRD. 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. BYRD. Mr. President, the Transportation appropriations bill, as reported by the Appropriations Committee, is within its 602(b) budget allocation for both budget authority and outlays. I commend the distinguished chairman of the Transportation Subcommittee, Mr. LAUTENBERG, and the ranking minority member, Mr. D'AMATO, for their excellent work in balancing the various demands that accompany the reporting of the Transportation bill. They have conducted very careful hearings, heard many witnesses, marked up the bill, shown a great deal of skill and proficiency, as always. It is a difficult job to balance capital needs against the operating requirements of the agencies that this subcommittee oversees. But I believe that Senator LAUTENBERG and Senator D'AMATO have done an admirable job in meeting the needs of transportation in a balanced and positive way.

As all Senators probably know or should know, and as much as I have said it many times, I fought long and hard at the summit to bring the needs of our Nation's crumbling infrastruc-

ture to the attention of the administration. We met over a period of many, many weeks last summer and on several weekends, and then I called to the attention of the Senate during debate on the highway authorization bill earlier this year the need for dealing with our Nation's deteriorating infrastructure.

I think we have been ambivalent. We have been very complacent about the need to repair and to build infrastructure in this country. And so in that vein, the Transportation appropriations bill as reported by the full committee provides an obligation ceiling for the Federal Aid Highway Program of $17.092 billion, and this is $2.592 billion above the fiscal year 1990 obligational limit of roughly $14.5 billion.

For years, therefore, we have needed to focus on our infrastructure, and most particularly at last year's budget summit, I tried to stress that need to focus on the condition of the Nation's infrastructure. A strong infrastructure is essential to the economic security of this Nation. Anybody who drives on our Nation's highways or uses our Nation's mass transit system knows of the deterioration that has been allowed to occur during the past decade.

Hopefully, actions that we took at the budget summit and the levels of funding reached in this bill represent a step in the right direction, one that fully meets the commitment made to shore up our battered infrastructure and along with it strengthen this Nation's economy.

That is the direction in which we should be going. In addition, funding is also provided for the capital needs of the Federal Aviation Administration, $88 million above the House; the Coast Guard, $42 million above the House; Amtrak, continued improvements on the Northeast corridor and mass transit. I also know that the committee provides $40 million more than the House for the Federal Aviation Administration's operations.

Mr. President, I applaud the efforts, the hard work, the tenacity, and the dedication of Mr. LAUTENBERG and Mr. D'AMATO in dealing with our Nation's transportation needs. I also applaud the unfailing efforts of the subcommittee staff. They are true professionals in every sense of the word, and they deserve the recognition of the Senate for their hard work. I am thinking of Pat McCann, Peter Rogoff, Anne Miano, Joyce Rose, and Dorothy Pastis.

I urge my colleagues to support this bill.

I yield the floor.

Mr. LAUTENBERG. Mr. President, I thank the distinguished chairman of the Appropriations Committee for his comments, but even more importantly his support for investments in infrastructure.

Senator BYRD has long been an advocate of infrastructure investment for this country. He acknowledged the tenacity, he said, of the chairman and distinguished ranking member of the subcommittee. I wish, Mr. President, that we could substitute more dollars for our tenacity, and we then would be better able to focus on meeting the enormous needs of this country. One just has to ride down any of the highways across this Nation that are part of the Interstate System to see the wear and tear on those routes.

We have seen it in our region, where brand new roads a year or two old are suddenly so heavily traveled that potholes and breakdowns begin to occur. So we have to invest to provide a balanced transportation network. That is what the Senate bill does, as it came out of the Environment and Public Works Committee, and supported by the Banking Committee, with its funding for mass transit.

But we are fortunate, Mr. President, to have a distinguished leader like Senator BYRD from West Virginia to put his imprint on the investments we want to make nationally for our infrastructure. All of us recognize it is important.

But Senator BYRD always raises infrastructure to the top of the ladder when he discusses the national needs, and I respect and appreciate it. I enjoy working with him on the preparation of appropriations bills generally but specifically the Transportation appropriations bill. Without his help, we could not do the job that we are charged to do, and I publicly thank and acknowledge his participation.

Mr. BYRD. Mr. President, I thank the Senator.

Mr. D'AMATO. Mr. President, if I might, I also thank the Senator from West Virginia [Mr. BYRD] for his very kind remarks and simply highlight one, of many, reasons why we in the Northeast appreciate his efforts. I think the whole Nation should be appreciative of Senator BYRD'S tenacity in seeing to it that we have had the funds to keep the Amtrak system going, improving, and moving. it makes the difference for many, many people who have no alternative.

In terms of transportation, I think also that the future is not aviation for so much of our interstate travel, but it is the further enhancement and development of Amtrak and our rail infrastructure systems that the United States has neglected for so long. So I personally thank the distinguished leader for his magnificent efforts in seeing to it that our transportation capital needs are met. In many cases there have been some doubters. If they had had their way, we would have lost this valuable resource.

So on behalf of many in the Northeast, I thank Chairman BYRD.

Mr. BYRD. Mr. President, I thank the Senator.

Mr. DOLE. Mr. President, may I engage the Senator from New Jersey in a colloquy with respect to the communication system at the Federal Aviation Administration?

Mr. LAUTENBERG. I am pleased to discuss this matter with my colleague.

Mr. DOLE. As the Senator knows, Mr. President, the FAA has been engaged in a 2-year-long effort to procure a communication system that would link together all of the air traffic control facilities in the Nation. This procurement, known as the leased interfacility national air space communications system [LINCS], is a performance-based procurement designed to meet the extraordinary safety demands placed upon the FAA each day. To its credit, the FAA is requiring a 99.999-percent reliability factor from its contractor in processing and transmitting these data.

Unfortunately, Mr. President, the General Services Administration recently put a halt to this procurement and insisted that the FAA use the FTS 2000 telecommunications network for the air traffic controller communications. While I believe that the FTS 2000 is a superb, technically advanced system, it is clear to me that it is not designed to provide the safety net reliability required by the FAA. Of even more importance, Jim Kolstad, Chairman of the National Transportation Safety Board, joins me in expressing his concern that the FTS 2000 network is not designed to provide a 99.999-percent reliability factor. Notwithstanding Chairman Kolstad's view, heartily endorsed by every major aviation trade association in Washington, the House stripped the necessary funds for the FAA procurement from the 1991 appropriations bill. I commend the Senator and the members of his committee, for restoring this very important $18 million line item so that the FAA may proceed with this important procurement.

In anticipation of consideration of this bill, I was prepared to offer an amendment exempting the FAA from the mandatory use requirement of the FTS 2000 system. In the interim, however, I have learned that the FAA and GSA are seriously discussing ways in which the procurement authority will be restored to the FAA with a proviso that the FTS 2000 system should be used where it is technically feasible. We have all been around this town long enough to realize that such a proviso is an open invitation to further squabbling between these two agencies. Consequently, I am asking today whether the Senator from New Jersey and the distinguished ranking Republican member of the subcommittee agree with me that where any disagreement occurs between the two agencies over the technical capacity of the FTS 2000 system to meet the safety requirements of the FAA, the presumption should be given to the FAA.

Mr. LAUTENBERG. The Senator is correct. The safety requirements of the FAA should be paramount and must be given preeminent consideration.

Mr. D'AMATO. Let me just say that I agree with my distinguished Republican leader, as well as my distinguished chairman, that it is clear that the decision should be weighted toward the FAA in whether or not a particular circuit should be on the FTS 2000 network. The high level of reliability and redundancy built into the LINCS Program is to be commended and the FAA should be encouraged and given the freedom to do all it can to insure the safety of our traveling public.

Mr. DOLE. I appreciate the comments from the chairman and ranking Republican member of the subcommittee, and I would just like to add that I will be watching the progress of the discussions between the technical personnel of the two agencies very closely and that if the outcome is not consistent with our discussion here today, I will be back to discuss this matter with the Senators further to see if statutory language may be necessary or appropriate.

AMENDMENT NO. 1151

(Purpose: To facilitate air service to Love Field)

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

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Kansas [Mr. DOLE], for himself and Mrs. KASSEBAUM, proposes an amendment numbered 1151:

At the appropriate place, add the following:

"Section 29 of Public Law 96-192 is hereby repealed.

"Section 503 of Public Law 96-193 is hereby repealed.".

Mr. DOLE. Mr. President, in an effort to expedite consideration of this bill, I have offered this amendment. It may need to be set aside. Senators BENTSEN and GRAMM may want to address the amendment. I wanted to offer it, as I share the manager's view that unless someone comes to the floor and offers amendments, it is pretty difficult to move ahead. So I have offered the amendment. I will make my statement, and I know that other Senators who have a different view may want to speak. So you can set this aside at the manager's convenience.

Mr. President, since 1980, commercial aviation in the Midwest, Southwest, and Southern United States has been distorted under a law that imposes a federally mandated monopoly. Today, the time has come to end that monopoly.

For 11 years, the so-called Wright amendment has been punishing the flying public, enriching one airline, and denying affordable air transportation to citizens of my State and States throughout a vast portion of our country. I think we ought to understand precisely what this amendment does.

The Wright amendment restricts commercial airline flights using Dallas Love Field to locations within the State of Texas and States contiguous to Texas.

In fairness, let me say the original purpose for the Wright amendment may have had some merit. As we all know, our failure to construct new airports is causing major problems in domestic air traffic due to congestion. When the Dallas-Fort Worth [DFW] Airport was constructed in the late 1960's, efforts were made to attract commercial airlines to ensure payment of the construction bonds. One of those efforts was the Wright amendment.

And, it worked. Last year, 44 million passengers traveled through DFW. This is far from a fledgling little air park. In truth, the Dallas-Fort Worth Airport is a regional powerhouse, a major hub, intent on keeping a Government-mandated monopoly far past the time when it should have been repealed.

Today, 11 years after enactment, what started out as a provision to ensure the viability of this young upstart air center has been turned into a hammer to beat out competition and beat up the traveling public.

As an example, air fares into Dallas from both Oklahoma City and Tulsa on a passenger-mile basis are 9 times—that is 900 percent—less than flights into Dallas from Wichita, KS, or the places that are not contiguous. The only reason for this huge difference is that the passengers in Oklahoma have competition—they can use either Dallas-Fort Worth or Love Field. The residents of Wichita do not have that luxury. They are at the mercy of the airlines which appear to charge fares that are entirely out of line with the fares in other parts of the region. And the only bottom line reason the residents of my State and the States of a majority of my colleagues do not have competition and reasonable airline rates into Dallas is that they do not live in or share a border with Texas. If you live in Texas and share a border, then you are all right.

We have sworn to uphold the Constitution, and the Constitution grants to the Congress the power "to regulate commerce * * * among the States." In this case, interstate commerce is being regulated to benefit a few at the expense of the majority to achieve a purpose that no longer exists.

The Wright amendment is also way out of line with the only other similar restriction in place at any airport in the Nation—the restriction at Washington National, which is well known to all of my colleagues. There are two major differences between the two airports.

First, the restrictions in place at Washington National are imposed due to congestion. National is a relatively small airport in land area and cannot be expanded. Therefore, only a portion of the flights wishing to use National can be accommodated. The solution used at National is mileage. Only flights under that limit are allowed into National. I remind my colleagues that the restrictions in place for Love Field are entirely different; they exist to bring business to the fledgling Dallas-Fort Worth Airport.

The second major difference is called through ticketing. As any of us who use National to begin a flight to the west coast are aware, when the aircraft stops at Washington Dulles or Baltimore-Washington International, the mileage requirement of the National restriction is met. In other words, you can fly across the country and land in Baltimore or at Dulles, but under National, you have the restriction.

To the contrary, using Love Field to destinations beyond the favored few imposes a bizarre and tortuous set of requirements. First, the passenger must make two separate reservations. Then the passenger must buy two separate tickets. Let us assume this passenger is traveling to Wichita. At Oklahoma City, the passenger, having used the first ticket, must change aircraft. And not just that, the passenger must take physical possession of all checked baggage, haul the baggage back to the ticket counter, and recheck the baggage for the flight into Wichita.

Mr. President, I ask all of my colleagues: What would you think if, on your flight from National to the west coast, you were told to get off the plane at Dulles; go to the baggage carousel and haul your luggage back upstairs to the ticket booth; then go through security and get on a people mover to cruise the runways looking for another plane.

Enough is enough. The residents of Kansas, like those of many other States, suffered to guarantee the survivability of DFW. But, no more.

Mr. President, there are two avenues we could take to correct this problem. In the long run, straight repeal of the Wright amendment would probably be best. However, in an effort to compromise, I suggested removing only the through ticketing requirement. Unfortunately, I received word yesterday that the board of DFW refused this compromise, hoping to retain forever the monopoly now in place.

It has been argued by those who support the Wright amendment that straight repeal would disrupt the ongoing efforts by the airline industry to reduce financial losses and once again become profitable.

Dallas is the No. 1 destination of passengers flying from Wichita. Residents of Wichita like Dallas, they want to travel there and spend money. The trouble is they have no money left after paying the air fare. So, I would ask my colleagues, particularly those

from Texas, to support this amendment and bring those Kansas dollars to your State.

Mr. President, for all the reasons I have mentioned, it seems to me that we are not in the monopoly business. As I have stated, maybe at outset this was necessary. DFW was new; it was a fledgling airport. Now, with 44 million passengers, I do not think it meets that category. This has an impact not just on my State, but any State that is not contiguous to the State of Texas.

I yield the floor.

Mr. KASSEBAUM. Mr. President, I rise today in support of Senator DOLE's amendment which modifies an unfair and anticompetitive restriction on air carrier service at Dallas Love Field. It is a restriction that prohibits commercial air carriers from providing direct air service between Dallas Love Field and points located outside of Texas or its four surrounding States.

This unique restriction was originally passed in 1980 to protect the then relatively new Dallas-Fort Worth International Airport and ensure that major commercial air carriers moved from Love Field to the new airport. The major carriers did move and today DFW is the third busiest airport in the country. The gates at DFW are full, and planes wait in long lines for takeoff. It is clear that DFW has reached a point where it no longer needs to be protected from any form of competition.

The effect of the restriction is that direct travel into and out of Dallas Love Field is limited to destinations only in Texas, Louisiana, Oklahoma, Arkansas, and New Mexico. Direct flights originating from any other State must fly into the Dallas-Fort Worth airport. This limitation is arbitrary and, in many cases, causes unnecessary delay and inconvenience for passengers.

I think it is important to point out that the restriction on Love Field is not based on any standard appropriate for the airline industry. Today, planes are allowed to fly directly from Love Field to El Paso which is 576 miles from Dallas or to Albuquerque which is 594 miles from Dallas. Yet, direct flights are prohibited between Love Field and many cities which are much closer to Dallas, such as St. Louis, Kansas City, Memphis, Birmingham, and Wichita. This makes no sense.

Passengers attempting to fly to Love Field from a location outside of Texas and the contiguous States are not allowed to buy a round-trip ticket for the trip. Instead these passengers must buy two round-trip tickets. One round-trip ticket to a city in Texas or one of the contiguous States and another from that city to Dallas. This requires the travelers not only to change planes in the connecting city but to collect their baggage and recheck it to Dallas. The unnecessary inconvenience of having to collect and recheck baggage can be especially difficult for the elderly, the disabled, or those traveling with small children.

To allow this limitation on direct air service to continue would be to condone anticompetitive law and to encourage discrimination. I believe it is essential that we promote competition within the transportation community in order to protect the interests of the traveling public. The case with Love Field is no different than that of all other small airfields across the country, yet it is the only airport in this country with a contiguous state restriction. Love Field has been subject to this unique statute for more than a decade, and it is time to modify its effect.

Mr. LAUTENBERG. I thank Senator DOLE for his understanding of the fact that we do have others who want to respond. So we will set that amendment aside for now and bring it back up later. With that, the floor is open, Mr. President.

Mr. LIEBERMAN. Mr. President, I rise to support this bill and to commend my colleagues, the distinguished Senator from New Jersey [Mr. LAUTENBERG] and the Senator from New York [Mr. D'AMATO] and other members of the committee and the staff of the committee for the superb work they have done in putting this bill together. This bill is good for our transportation systems, and good for our ability to move people and goods around America. It is good for our economy, and it is good for our environment, as well.

Mr. President, I want to focus on one particular part of this bill that has special importance for us in Connecticut, and that is the funding for the Northeast corridor Amtrak rail project between Washington and Boston. This bill would provide $260 million in total funding for this project, of which $208 million is to be devoted to electrification and improvements between New York and Boston, principally from New Haven east to Boston. The project is part of an overall $1.2 billion Northeast corridor project, which would establish a high-speed rail corridor in this region over the next 5 to 7 years.

Of this total amount, $800 million is for electrification and roadbed improvements, and $400 million is for the purchase of new train equipment.

Mr. President, the Northeast corridor is the single strongest railroad passenger corridor in the United States of America.

It may be the only area in our country which has the population density that would make high-speed rail economically viable. Current travel time by rail, by train between New York and Boston, is 4 hours and 40 minutes. The project that we are talking about here aims to get that down to 3 hours or less.

While the train is now competitive with the air shuttles between New York and Washington and actually moves more people than either shuttle, this new project would aim to make train travel competitive with the New York to Boston air shuttle. The cost of doing this, $1.2 billion, is not small, but it compares very favorably with other Federal spending alternatives such as the new Boston airport that would cost at least $5 billion, or major new highways which would cost many billions of dollars as well.

In fact, cost estimates to include just Boston's central artery are over $3 billion. Currently, air and highway transportation facilities have reached the saturation point in the Northeast corridor where congestion, as anybody who has been on any of those highways can tell you, is a nightmare.

There are other major benefits to the Northeast corridor project. They include cleaner air as a result of getting travelers in the region off the very crowded I-95 highway corridor, and that is crucial for States in the area as they strive to achieve the tough new air quality standards of the Clean Air Act.

There are also big energy savings that are associated with the Northeast corridor project. In fact, the latest estimates suggest that 24½ million gallons of gasoline and jet fuel will be saved annually as a result of this project.

Mr. President, equally important and intensely important at this moment in our region's history is the effect this Northeast corridor project will have on the troubled economies of the Northeast. This new project will provide over 5,000 new jobs, and we need them now. It will provide over $300 million to the region's payrolls annually both on the project construction and for the regional firms manufacturing products that will be used in the new rail system from concrete ties to high technical signalization for the railroads.

Mr. President, this increase in jobs and manufacturing sales will be a tremendous help to my home State of Connecticut right now. The State's economy, as you know, is suffering one of the worst economic downturns in recent memory. People are not only suffering now, they are equally anxious about what is going to come next, what the economy will be like next year, whether their friends and neighbors and they themselves will have the jobs next year that we have today.

The funding of this rail project for the Northeast is crucial to raising the hopes and realizing the hopes of people in Connecticut and throughout the Northeast for a more secure economic future.

Connecticut needs and deserves help from the Federal Government, and public works projects, which is what this is, are a critical way, a meat and potatoes, bread and butter way to give people jobs and put food on the table. The

Northeast corridor investment may well be the most sensible and economically sound transportation investment the Federal Government will make in the next several years.

Again, I thank the distinguished chairman of the committee, the Senator from New Jersey [Mr. LAUTENBERG], who deserves a great deal of credit for having the vision to fund such an important and practically useful program.

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I thank my colleague from Connecticut for his comments. I also know of his interest in various transportation projects that affect the State of Connecticut and the Northeast region, and particularly the program to electrify the Amtrak rail line from New Haven north to Boston. Once that is achieved, and it is in the reasonable future that we can expect that to happen, it will add the benefits described so carefully by the Senator from Connecticut.

We hope that we will be able to move along with that and continue to improve inner city rail service throughout the country because transit does help meet the requirements of the recently passed Clean Air Act, of our Nation's need for energy independence, and provides a more efficient way to conduct our businesses and our lives, and precludes the terrific imposition on the personal lives of people who live in not only the crowded areas like the State of Connecticut or the State of New Jersey, or the State of Massachusetts, but also the more rural areas of the country.

So, I thank the Senator from Connecticut. I serve on the Environment and Public Works Committee with him and we work well together on issues that not only affect our respective States and our region, but the country as well. And his comments are deeply appreciated.

Mr. LIEBERMAN. I thank the Senator.

AMENDMENT NO. 1151

The PRESIDING OFFICER (Mr. GRAHAM). The Chair recognizes the Senator from Texas.

Mr. BENTSEN. Mr. President, with all due respect to my friend from Kansas, I must object to the amendment currently before us. The distinguished Senator is proposing a significant change to current law, a change which will come at substantial cost, both to my own State of Texas and to the traveling public as a whole. This proposed change would overhaul not only longstanding Federal law but also nearly 25 years of local effort and cooperation to ensure that DFW airport is a topnotch regional airport capable of providing world-class service.

It all began almost 30 years ago when the Civil Aeronautics Board recognized that air service to the Dallas-Fort Worth area was inadequate and recommended that the area's airport resources be concentrated in a single complex. After years of intense, local debate over which city the facility should be located in, the two cities agreed to combine their resources and build the airport. A critical component of the agreement was a provision requiring local airports to phase out commercial services and to refrain from competing against the newly created regional facility.

For a variety of reasons, however, commercial service into and out of Dallas' Love Field was not completely restricted.

After years of debate, a compromise agreement was crafted which limited commercial flights from Love Field to locations within Texas and its four surrounding States. This agreement, known as the Wright amendment, was codified in 1979.

The decision to concentrate the area's aviation resources at DFW has resulted in benefits both for the region and for the traveling public. In 1990, DFW Airport served more than 49 million passengers traveling to approximately 150 domestic and international destinations. The quantity and quality of service would not have been possible had air transit been divided between a variety of smaller airfields throughout the region. Service is expected to improve even further by the addition of a planned $3.5 billion expansion at the facility.

DFW is very concerned that modifications to the Wright amendment will negatively affect airport service. It has informed me that, if modifications do take place, several of the large carriers at the facility will be forced to split their operations between DFW and Love Field in order to remain competitive. This would undermine the longstanding premise that a single, regional airport is most effective, would place expansion plans for DFW on the back burner, and would result in a decline in the scope and level of local, national, and international air service.

Moreover, the more than 7,500 businesses which make up the Greater Dallas Chamber of Commerce are very much opposed to any tinkering with current law. They know that DFW currently produces a $6 billion annual economic impact for the metroplex. Furthermore, DFW directly and indirectly employs some 70,000 persons and will employ substantially more individuals if the proposed expansion goes forward.

I am also deeply concerned about how diversion of service from DFW to Love Field will affect current service to and from Fort Worth. The city has worked tirelessly to provide only the highest caliber service to its residents. Diverting resources to Love Field may result in a significant decline in service provided to Dallas' sister city.

In addition, I can tell you from personal experience that facilities around Love Field are inadequate to accommodate substantial diversions from DFW. The infrastructure both at and to the airport will not be able to meet increased demand, necessitating major overhauls of both terminal facilities and major thoroughfares. Moreover, such an increase in noise and traffic will be strongly opposed by the surrounding community.

I am also aware that, in committing their resources to the DFW metroplex, many parties have relied on the two localities' contractual commitment to a single regional airport. I believe it is unfair to undercut these parties' investments by changing the rules in the middle of the game.

One additional point is worth raising, that point being that it is premature for the full Senate to be considering this issue. Senators are being asked to support this dramatic change without the benefit of the careful deliberations of either the Commerce Committee or its Aviation Subcommittee. As a member of the Commerce Committee, I am concerned about this circumvention of the deliberation process.

In short, current law honors local choice and ensures the highest level of air service. I join with numerous parties throughout Texas who firmly believe the law should not be revised in any fashion. Please join me in voting against this provision.

Mr. President, I am here to make some comments on the amendment offered by the distinguished Senator from Kansas concerning the Dallas-Fort Worth Airport. Mr. President, for 25 years Fort Worth and Dallas competed over airports. The Civil Aeronautics Authority came in and said it is totally inefficient. What you ought to be doing is working together to have a regional airport, to be able to have less costly service, to have a more efficient operation.

There was tremendous rivalry between those two cities, but finally they put it altogether after a lot of blood on the floor and a lot of negotiations during those years, deciding to build one regional airport between those two cities. Arguments about whether the entrance should be closer to Fort Worth or closer to Dallas, those types of things were finally resolved. One of the key essentials was to lower the competition of the other airports, to focus on this one and make it the most modern, effective, regional airport for that area.

And they were able to do it. They put it together. One of the provisions was for Love Field to cut back on its services, and that it did, and they finally put in the Wright amendment that said Love Field could only serve Texas and the four adjoining States. To be sure

that you did not have a dimunition of the services of this one major regional airport.

Now my friend talks about expanding Love Field. The problem you run into with that type of a deal is that you have the major airlines to retain a competitive status having to split up and have services in both of those airports, moving away from the regional concept.

Think of all the practical problems you have. Think of the problem of having people come in from one city, coming to the Dallas-Fort Worth Airport and then having to travel over to Love Field. Think of the problem you have with Love Field now surrounded, really within the city, a lot of residential areas around there, deeply concerned about the problems of expansion, about the additional noise, about the additional flights that would result therefrom.

I know that my friend thinks that he has a proposal that does not create a problem. But you have to think it through. And one of the very major things that happened, by way of oversight here, is that has not been brought up before the subcommittee headed by the distinguished chairman from Kentucky, given the kind of insight to listen to both sides of these arguments because what you are talking about is a very profound major change in the law. This has been codified, this compromise, put together.

Another problem you are running into is they are talking about a $3½ billion expansion of the Dallas-Fort Worth Regional Airport. What do you do with that if all of sudden you are going to pull part of the traffic away and move it over to Love Field. You take that $3½ billion that is needed to keep that airport current and providing the kind of services it should and taking care of that traffic, you put it on the shelf and you forget it.

It is not going to be done.

I think that would be a tragic loss. The regional airport down there provides jobs either directly or indirectly for about 70,000 people. You would have an incredible economic impact if you start breaking that kind of structure apart. That airport is working. In 1990 it served some 49 million passengers going to 150 different airports, both domestic and international.

One of the other problems you run into if you start pushing Love Field, you have Fort Worth at the other end of that corridor. That means that you would diminish the services to Fort Worth in that process because they would be moving some of them from the international airport at the Dallas-Fort Worth Airport over to Love Field. So you bring back all the old controversy and rivalries that resulted before we arrived at this kind of a compromise. You have had a very careful, deliberate compromise that has resulted in a magnificent airport serving people of this country.

You have another problem that comes up. You look at Southwest. Now what you in effect have is a short-haul operator, one that is able to give you the service at low cost because no frills are attached. But if you start stretching it out and moving it into a long-haul operator trying to compete with some of the other major airlines, then you have to bring in the frills and the rest of it.

Southwest is an unusual airline. I was flying on it the other day from Austin to Dallas. The steward came back and said, "I want to tell you this is a short flight." He was taking orders for drinks. He said, "If you can't chug-alug it, don't order it."

We landed at Love Field. I recall the fellow making a rough landing, kind of a controlled crash. And the pilot got on the intercom and he said, "I know you think we were just shot down, but," he said, "the copilot just messed up." Now that kind of rapport that takes place between passengers and the personnel of that airline has resulted in a very cost-efficient airline. But once again it fills a slot, it fills a niche as a short-haul operator. That is what it ought to stay, and that is what it ought to be.

It serves an economic purpose that there should not be disruption by trying to all of a sudden take other major airlines and put them into competition, long-haul operators operating out of Love, and saying we are not going to go ahead with the modernization and continued expansion of a regional airport, that was put together at the advice and the counsel of the Civil Aeronautics Board.

Mr. President, I hope very much that my colleagues will turn down this amendment, and at the appropriate time, I will probably be making a motion to table the amendment.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, what we are debating today in debating the Dole amendment is really a test of the concept of a regional airport. I know as our colleagues listen to this debate they see it in regional terms because the two Senators from Texas are here, and we are strongly opposed to this amendment. But I want to remind my colleagues that what is at stake here is not just DFW, what is at stake here is the whole concept of a regional airport.

My dear colleague from Texas has gone through at great length and outlined the deal that was put together. I just want to summarize it once again. Getting two major American cities, Dallas and Fort Worth, to cooperate in building one great airport was a very difficult thing to do. And part of putting that deal together, which has been in the interest of people of both communities and to the American taxpayer and has created perhaps the Nation's greatest airport in the process, was a basic agreement that said that if Fort Worth shut down its airport, cooperated with Dallas in building a joint airport, that Love Field would have restricted use. Now if we come back with an amendment on the floor of the Senate and alter that deal, what we are doing is attacking the fundamental structure that made the regional airport possible.

I remind my colleagues that this is a vitally important issue to me and to my colleague from Texas. Anything that diminishes the Dallas-Fort Worth Airport hurts Texas and hurts the whole Southwest. The Dallas-Fort Worth Airport is one of the greatest economic assets in the Southwestern part of this country. Anything that undercuts the agreement that brought DFW into existence and that is generating its growth I think will hurt air passengers who use that airport and who travel in the whole region. This is vitally important because we are at a critical time at DFW. A major expansion is in the process of being approved, an expansion of over $3 billion, which will mean thousands of jobs created and dramatic improvements for the airport. That expansion could be jeopardized by the adoption of this amendment.

We have a major study underway at the Department of Transportation that is looking at the safety aspect of potentially operating two national airports in such close proximity to each other. That study has not yet been released. I think it is vitally important that we not have a prejudgment on that issue. In my opinion, this amendment should be rejected.

Finally, I want to urge my colleagues to allow the committee of jurisdiction to deal with this issue. This is a very complicated issue. It is an issue that has come about as a result of a 25-year effort by the FAA to build a regional airport. It was a delicate compromise. If that compromise is pulled apart on the floor of the Senate it could hurt DFW and jeopardize our ability in the future to build other regional airports.

So this is an important issue to Texas. As a result, my colleague from Texas and I are asking our other colleagues to support us on this issue. But it is also an important issue to the air transportation system of this country. I urge my colleagues to reject this amendment.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. Mr. President, I would like to take just a few moments of the Senate's time to express my concern about the so-called Love Field amendment that has been presented to the Senate by our distinguished Republican leader. It seems to me that I should not be getting into a con-

troversy between these two powers, but since I am chairman of the Aviation Subcommittee of the Committee on Commerce, Science, and Transportation, I feel it is important that I relate to the Senate some of the problems that I see.

If we are to repeal the so-called Wright amendment so that others might receive transportation—and I am not sure but that the disruption would be more than the help—the same principle can be applied to the four high density airports.

We could stand here and adopt an amendment that would affect O'Hare, that would affect Washington National, that would affect La Guardia and Kennedy. The same principle could be done right here on the Senate floor. Why not remove all the restrictions so communities like Lowell, and Lexington, KY, can receive what they would perceive as better service? Removing the restrictions on National—that will, and would really bring about a spirited debate.

If the Federal Government is going to override local decisions on an airport usage, then the argument could be used to keep Stapleton open, out of Denver, after the new $3 billion Denver airport is opened. I am sure United would be pleased and they would like to stay where they are, since many of their training facilities will have to be moved.

I think maybe a point of order could be raised as repeal of the Wright amendment is in the Commerce Committee's jurisdiction—and I raise the jurisdictional problem here. And I believe a tabling motion will be offered.

We understand that the House is holding a hearing on this particular question. It has already been offered.

So, as chairman of the Aviation Subcommittee, I have had many opportunities to hear testimony from industry experts on aviation competition issues. The witnesses appearing before my subcommittee have ranged from Government officials, Wall Street aviation specialists, airline executives, the General Accounting Office [GAO], and individuals interested in starting new airlines.

The subcommittee has spent a great deal of time during the past Congress on aviation competitiveness issues. This year, two hearings have been held on this subject alone. Due to the many hours in discussion on this matter in the Aviation Subcommittee, I find the amendment of the minority leader very troubling.

The Wright amendment was enacted in 1979. It limits service from Love Field to a five-State area. You have heard this morning the Texas delegation remind us of the many years of debate and jurisdictional interpretation the Senate is faced with today in the decision to allow flights further than the five-State area.

My question is, What does this do to DFW? And I think you have heard that. A $3.5 billion expansion; probably the key to air transportation in the Southwest. That will go on the table.

One thing we have heard is that we need to expand airports: longer runways, better aprons, more gates, more slots. Now we are beginning to create a whole problem and dismantle an agreement and progress that has been in the works for some time.

If the Congress repeals the Wright amendment, will air carriers move back to Love Field in order to be competitive? The answer is unquestionably yes. They will have to move back to be competitive, and they will move in there aggressively. My guess would be, because of the short distance from downtown Dallas to Love Field, the carriers would be forced to move back.

Should FAA be saddled—and I underscore "saddled"—with paying for air traffic control and all the navigational aids for two airports in Dallas; two airports in Dallas with additional expense, additional problems, a large safety problem?

If we are interested in air safety, then the amendment of the distinguished Senator from Kansas [Mr. DOLE] will be defeated. I believe the Senate should not be overriding the concerns and agreement of the citizens of that area. Residents of Dallas are the citizens who have to live with the consequences of increased air traffic from Love Field. What does increased air traffic create? Local havoc.

I have been in one right now, trying to work out the noise problem. That everybody wants, except they would like to sleep at night and early in the morning. And what will happen to downtown Dallas? What will happen to the residential area when all these airplanes go back in and you start having to have local ordinances, trying to override the local authorities by FAA or the Federal Government?

There are environmental as well as quality of life decisions that should be made in Texas, in my opinion, in the community, in my opinion, rather than here in Washington. I am concerned that if the Wright amendment needs revisions, that the delegation come together, hold hearings, and advise us what their aviation needs might be. The city council of Dallas, the city council of Forth Worth, the congressional delegation in the area are opposed to repealing the Wright amendment.

So I can see noise problems, environmental problems, expansion problems, safety problems, two towers, two navigational situations. All of this will be created by this one amendment and we do not need that. We have a FAA that has finally worked it out with the local citizenry.

So I am not against the idea of creating additional flights for other areas or better service or whatever it might be. But I think the consequences here are too grave, as it relates to the aviation community, the responsibilities of FAA, and particularly the safety and environmental problems of that area.

So I encourage my colleagues not to be just against something here, but I think to be for the progress that has been made and not create a stumbling block, as it relates to this particular amendment.

I thank my colleagues for the opportunity and I yield the floor.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, at this time the Dole amendment is pending, but I would take this opportunity to ask my colleagues who have amendments to come to the floor with them. There are only a few I am aware of that might come up. We intend to finish the Transportation bill today. The consent entered into yesterday calls for us to leave the Transportation bill by, I believe it was quarter past 12? Or 12:30?

The PRESIDING OFFICER. There is a previous unanimous consent to leave this matter at 12:30.

Mr. LAUTENBERG. We have an hour. We can get this bill, I believe, passed. So many Members, so many States have matters in this bill that are of critical importance and the fact that the year does not start until October 1, for 1992, has little bearing on the fact that there is planning that has to be done in State capitals, in communities across the country. And to delay consideration of this bill, frankly, I think, is a disservice to those States and those communities.

We can expedite the process of planning and thought that must follow. It is, I think, shameful that in the next hour the few amendments that have been proposed, which do not look controversial at all, cannot be dealt with. Following that, we can deal with the Dole amendment one way or the other and get done with this bill.

So I again send a message out to all of my colleagues who have an interest in the Transportation bill other than its passage, to come down here, offer their amendments, send the message back home to their constituents that they are on top of this, that they are concerned about the infrastructure and transportation needs of their States. Let us get on with it.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. WELLSTONE). Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I also ask unanimous consent that the pend-

ing business be set aside for purposes of considering an amendment.

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

Mr. GRAHAM. Mr. President, it is my intention to offer an amendment at the conclusion of my remarks relating to the recreational boating tax which was adopted in 1990 as part of the budget agreement between the President and the Congress.

This fee is an annual fee which is commonly referred to as the boat user fee and was represented as a means by which the users, recreational users of services provided by the Coast Guard, such as navigational assistance and search and rescue, would be shared between the general revenue of the Federal Government and this specific source of funds being derived from the boating community. There was also an inference that the services would be enhanced as a result of this participation by the recreational boating community.

In fact, Mr. President, neither of these has occurred. There has not been an enhancement of services and, by virtue of the fact that this fee, once collected, is deposited into the general fund of the Federal Government, there is no linkage between the payment of the fee and any sharing of responsibility as between the general taxpayer and the recreational boating community.

There is great controversy relative to this new fee, its cost and the fact that it is not linked to an enhancement of service. There is currently legislation, which I understand has been reported by a committee of the Senate, which would repeal the boat user fee. There is strong support for that outright repeal and I, for one, at the appropriate time might support such an outright repeal.

The concern is that there is a substantial revenue loss, $718 million over the next 5 years, which is linked to that outright repeal, and under the budget agreement which we adopted it will be necessary to locate $718 million to substitute for this fee if it is to be repealed.

Second, there is the concern that if legislation containing such repeal were to be reported to the President, there is indication that he would likely veto it. Therefore, Mr. President, I am suggesting another alternative, which is that we establish a U.S. Coast Guard service fund, a specific and dedicated fund into which these recreational fees would be deposited, and that the sole purpose for which funds could be withdrawn from the trust fund would be to support the activities of the Coast Guard that relate to the recreational boating community. If we are going to accomplish that purpose, I believe that the establishment of such a fund is critical.

In the case of recreational vessel fee, the U.S. Coast Guard tells us that the fees are not directly related to the cost of programs and that Congress intended the recreational boaters user fee to support such as search and rescue, boating safety, aids to navigation. The Coast Guard explains that the fees are related solely to length of vessel and not the services rendered. They add that since the collection of the fees does not alter or expand their functions under the current Coast Guard law that this is no increase in the quantity, quality or variety of services that the boating community receives from the Coast Guard.

Mr. President, my amendment would alter that state of affairs. My amendment would establish a link between the recreational boat users who benefit and the United States Coast Guard.

Because it is impossible to link one boat owners boat length to the service that he or she may at some time receive in the future, this amendment makes a more generic link between all the boat recreational users and the services that will be provided by the Coast Guard.

I might say, Mr. President, this is similar to what is done in other areas of the Federal Government and in various States. In my own State of Florida, as an example, there is a linkage between fees paid by a number of specific user communities, those who use our State parks, those who are hunters and fishermen, who use our natural resources, with those funds that go into a dedicated trust, the proceeds of which are used to pay for the services which that particular community of our State is receiving. This amendment would achieve the same objective as it relates to the national recreational boating community.

In addition to establishing a separate fund, we need to send a strong message to the Coast Guard to assure that the revenue spent on recreational boaters' services such as search and rescue—and let me make it clear that I do not intend by this amendment to put the Coast Guard programs in jeopardy. The user fee was enacted as a means of raising revenue for the Federal budget. The user fee is intended to require recreational boaters to share expenses. Therefore, if Congress establishes a true user fee, the Coast Guard will still need appropriation from the general fund to carry out its responsibilities.

In fact, the cost to the Coast Guard of providing services is substantially greater than this fee generates. Operating expenses for aids to navigation, for example, in 1990 were more than $450 million; search and rescue, more than $33 million. In comparison, the estimated revenue projection for the recreational fee is only $135 million for fiscal year 1991.

This amendment is not intended to substitute the Coast Guard's annual appropriation for user fees. It is intended to create a true user fee with a sharing of responsibility between those directly benefiting in the general public and hopefully create a circumstance in which there will be enhancements of service.

The amendment is based on the philosophy that those who use the service should help pay for the service.

If Congress is not willing to make the recreational vessel fee a true user fee, then we need to be honest with constituents and tell them that we are collecting a tax to pay for Federal programs generally that may or may not include enhancement of Coast Guard services, and we are using this for pure deficit reduction purposes.

Mr. President, if we are going to maintain this fee, then I believe that we should provide to our constituents what they expect: this is that this fee be segregated into a trust fund and be used for the purposes for which it was represented at the time that was submitted to the Congress for adoption.

AMENDMENT NO. 1152

(Purpose: To require certain fees and charges imposed by the Secretary of Transportation to be deposited in a Fund for use in promoting safety)

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

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 1152.

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

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

The amendment is as follows:

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

SEC. . Subsection (h) of section 2110 of title 46, United States Code, is amended to read as follows:

"(h)(1) There is established the 'United States Coast Guard Service Fund' (hereafter referred to in this subsection as the 'Fund') within the Treasury of the United States.

"(2) Fees and charges collected by the Secretary under this section shall be deposited in the Fund established by paragraph (1). Moneys in the Fund shall be available, in such amounts as are hereafter provided in appropriation Acts, for use by the United States Coast Guard for carrying out its mission, including search and rescue, boating safety, aids to navigation, and meeting the requirements of subsection (d).

"(3) Interest received on moneys in the Fund shall be deposited in, or credited to, the Fund and shall be available for use in the same manner, to the same extent, and for the same purposes as are the fees and charges deposited therein.

"(4) There are authorized to be appropriated from the Fund such amounts as may be necessary to carry out the provisions of this section.".

Mr. GRAHAM. Mr. President, as part of the Omnibus Budget Reconciliation Act of 1990, we enacted recreational vessel fees. This is an annual fee, which

is commonly referred to as the boat user fee, for recreational vessels operated on navigable waters of the United States where the Coast Guard has a presence.

The indirect user fee authorized by the Reconciliation Act is intended to require recreational boaters to share in the cost of existing Coast Guard programs, including search and rescue, boating safety, and aids to navigation, for which no direct user fee may be assessed, but which provides substantial benefits to recreational boaters.

In fact, the conference report accompanying the Omnibus Reconciliation Act states that these fees and charges are not intended to alter the duties or liabilities of the Coast Guard with respect to the services it provides to the public. The Coast Guard's duties and liabilities would remain as prescribed by existing law as interpreted by court decisions with regard to the performance of any service or activity.

Currently, there is legislation to repeal the boat user fee. Why not support this legislation. For one reason, there is not a consensus on how to make up for the loss of revenue which is projected to be $718 million over 5 years.

Second, if we repeal the user fee without an offset we not only risk a Presidential veto of the legislation to which the repeal is attached, but we also and more importantly risk the deterioration of an already vulnerable budget agreement.

Consider this argument: It is reasonable for recreational boaters to share in the cost of Coast Guard programs from which they benefit.

If you agree that this argument is reasonable, then you need to create a true user fee.

In the case of the recreational vessel fee, the U.S. Coast Guard tells us that the fees are not directly related to the cost of the programs that Congress intends the recreational boaters user fee to support; as is, search and rescue, boating safety, and aids to navigation. The Coast Guard explains that the fees are related solely to the length of the vessel and not to the services rendered.

They add that since the collection of these fees does not alter or expand the functions, powers, responsibilities, or liability of the U.S. under any law for the performance of services, recreational vessel owners paying the fees can expect no increase in the quantity, quality, or variety of services they receive from the Coast Guard.

Mr. President, my amendment would establish a link between the recreational boat users who benefit from Coast Guard services and the U.S. Coast Guard. Because it is impossible to link one boat owner's boat length to the services he may receive, the amendment makes a more generic link between a fee paid by a group of individuals: recreational boat owners, and a public service provided to that group of individuals: U.S. Coast Guard search and rescue, aids to navigation, and marine safety.

This amendment would create a U.S. Coast Guard service fund within the Treasury of the United States to enable the U.S. Coast Guard to more effectively carry out its mission.

The amendment dedicates revenue from the fees to services provided to recreational boaters.

In addition to establishing a separate fund, we need to send a strong message to the Coast Guard to ensure that the revenue is spent on recreational boater services such as search and rescue, aids to navigation and recreational boating safety activities.

Mr. President, let me make it clear that I do not intend for this amendment to put Coast Guard programs in jeopardy. The user fee was enacted as a means of raising revenue for the Federal budget. The user fee is intended to require recreational boaters to share expenses; therefore, even if Congress did establish a true user fee, the Coast Guard will still need appropriations from the general fund to carry out its responsibilities.

The numbers show that the projected revenues would not come close to covering current expenses in these programs. The Coast Guard costs for search and rescue, and aids to navigation alone exceed any revenues estimated to be collected in a fiscal year.

Operating expenses for aids to navigation program in 1990 were $452.6 million. For search and rescue they were $332 million. In comparison, the fiscal year 1991 revenue projection for the recreational fees is only $135 million.

The amendment is not intended to substitute the Coast Guard's annual appropriations with user fees, it is intended to create a true user fee.

Mr. President, the amendment is based on the philosophy that those who use a service should help pay for that service. If Congress is not willing to make the recreational vessel fee a true user fee, then we need to be honest with our constituents and tell them that we are collecting a tax to pay for Federal programs which may include Coast Guard services and for deficit reduction.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. Mr. President, let me rise to speak on this amendment and also to commend the Senator from the State of Florida for recognizing what I think is a growing recognition among Members, both of this body and the other body, that indeed the so-called recreational boat user fee is a sham tax on the recreational boaters of this country.

In the 19 years that I have served in Congress, I have always felt that Members and citizens, who in fact enjoy outdoor recreation, who are hunters, who are fishermen, who are sportsmen, are willing to pay for the sport that they enjoy, to encourage its development and encourage its protection, and are willing to put their dollars where their mouth is, so to speak.

I think when Congress, in the last Congress, talked about a recreational boat user fee, that many recreational boat users said, "We are willing to put up a little bit of money if in fact it is going to be used for the purpose of helping recreational boaters."

After this recreational boat user fee was adopted, an astounding revelation was made to Congress by the Coast Guard, in testimony before the Senate Commerce Committee, when they quite frankly told us that none of this money, not a nickel, was going to be used to help the people who were going to pay it.

The recreational boat people in this country are represented by the Senator from the State of Florida, which has one of the largest numbers of any State in the Union. Louisiana is also a recreational boat user. But the Coast Guard commandant who testified said not one nickel, not one dollar, not one dime, nothing that was being paid by the recreational boat users would inure back to their benefit.

He said very clearly they were not going to have any greater degree of search and rescue; they were not going to be providing any more services to the recreational boat users. In fact, the quantity was not going to improve, nor was the quality of the service going to be improved. What was clearly established at that point was that the so-called recreational boat user fee was in fact a sham tax.

That is the issue the amendment of the Senator from Florida addresses by saying: If you are going to have a user fee for recreational boat users, let us make sure it is going to be put into the Coast Guard and going to be used to help people who are going to be paying that fee.

They tell us over 5 years it will generate $718 million. But under the current law, that is going to just go into the Treasury to pay for foreign aid, to pay for other programs of the Federal Government. That is wrong.

Mr. President, I rise to alert the Senator from Florida and other Members. We have an amendment which now has, I think, 25 cosponsors in the Senate, which would repeal the so-called recreational boat user fee. It is clear that is not going to be used to benefit those who are paying it. My recommendation is that we just go ahead and get rid of it.

That is going to require an offset. We have now passed a bill out of committee which will, in fact, repeal the Coast Guard recreational user fee. We still do not have an offset to offset those lost revenues.

But I can say we are working on an offset, which we feel we are just about

to put the final touches to, which will allow us to come to the floor of the Senate with an absolute outright repeal of this tax. It is a sham tax. And, also, it will provide an offset to pay for it, which is a requirement.

We have an offset that is in the maritime area, which we are working on. I ask the Senator from Florida, since at this time, we are making such progress on an outright repeal, would it not be, perhaps, better strategy for our purposes—which I share with the Senator from Florida—to maybe pull back on this amendment, which continues the tax but redirects it, in order for us to have a little bit of time to develop offsets so we would come to the floor and repeal the tax in its entirety?

If, indeed, an offset is not possible, I certainly would support the Senator from Florida in redirecting the tax to benefit those people who are paying it. But I would like to ask consideration now, perhaps, if we could save this for a little later in the process; repeal it completely with an offset.

If that is not possible, certainly the Senator at that time will be able to redirect the tax, as he is trying to do, which I applaud him for.

Mr. GRAHAM. Mr. President, will the Senator yield for a question?

Mr. BREAUX. I will be happy to yield to the Senator from Florida.

Mr. GRAHAM. I appreciate the comments the Senator has made, and also commend him for the leadership he has provided in the committee to bring forward a bill that would give us an opportunity to address this in the form of a total repeal with a substitution of revenue.

Could my colleague again state what is the legislative position of the proposal for the outright repeal?

Mr. BREAUX. Mr. President, I would say to the Senator from Florida, the Senate Commerce Committee has had a hearing—Senator LAUTENBERG and I chaired it—when we addressed this question to the Coast Guard.

Following that hearing, the Commerce Committee, in a full committee markup, reported legislation which calls for and provides for the repeal, the outright repeal of the so-called recreational user fee.

The only caveat was that we all recognize that before we can come to the floor with that committee-passed bill, we have to have an offset in the package to bring it to the Senate floor.

I can say to my colleagues, we are now working on the offset. It is in the maritime area. We do not have the revenue estimates, but we are confident that when they are produced, they will show a dollar-for-dollar offset, which will allow us to come to the floor and do away with the tax in its entirety.

Mr. GRAHAM. Does the Senator have a general estimate of when he thinks this might be available to the Senate?

Mr. BREAUX. I would respond to the Senator by saying we expect it to be available by late September, which is this month, or certainly in the month of October we would have the estimates which would allow us to come to the floor with the outright repeal.

Mr. GRAHAM. If I were to defer to the Senator's suggestion today, would it be his sense that if, by mid-October, we had not been able to meet that schedule, that it would be appropriate to look for an opportunity to reintroduce the concept of this amendment, to establish a trust fund for these recreational boaters' fees?

Mr. BREAUX. I would respond favorably and in the affirmative to the Senator. I think we both share the same goal. We both recognize this is a sham tax. My colleague certainly cleared up this aspect of it. We would like to get rid of it completely.

If we are not able to have an offset, there is no question the next best thing would be to say at least spend it for the benefit of the people who are paying the tax.

I would be supportive of that. I think the better course of action would be to have an outright repeal. If we can provide the offset, that can be accomplished. If that cannot be done in a reasonable timeframe that I have outlined, I think it would be entirely appropriate, and I would be supportive of the Senator's effort to redirect the fee.

Mr. GRAHAM. Mr. President, is the Senator from Louisiana prepared to surrender the floor?

Mr. BREAUX. I yield the floor.

Mr. GRAHAM. Mr. President, I am very encouraged by the comments made by the Senator from Louisiana. The time schedule he has laid out is a challenging one, to have a measure of this significance ready for full Senate consideration within the next 30 days. But I applaud him for his work that has made that possible.

In the context of that, and with the clear understanding that should this option of outright repeal not be accomplished within approximately a 30-day period that it would be my intention to look for another opportunity to present the concept of a separate trust fund for these recreational boaters' fees, with that understanding, I ask to withdraw the amendment and hope we will soon be in a position to pass the outright repeal as introduced by the Senator from Louisiana.

The PRESIDING OFFICER. The Senator retains the right to withdraw his amendment. The amendment is withdrawn.

The amendment (No. 1152) was withdrawn.

Mr. GRAHAM. I thank the Chair.

The PRESIDING OFFICER. The minority leader is recognized.

Mr. LAUTENBERG. The amendment of the Senator is the pending business.

AMENDMENT NO. 1151

Mr. DOLE. Mr. President, the amendment is the pending business. I would like to take a minute to respond to the allegation made by the previous speakers in opposition to the amendment I have offered for myself and Senator KASSEBAUM, which would in effect repeal the so-called Wright amendment.

First, it is alleged that this amendment would be the death knell for regional airports. I would ask my colleagues from Texas why no other regional airport in the country has needed similar protection? Why are there no restrictions on Houston Hobby to protect Houston Intercontinental? Why no restrictions on Midway to protect Chicago O'Hare? Why no restrictions on John Wayne Airport to protect Los Angeles International?

The reason is that Dallas-Fort Worth had a strong proponent—former Speaker Jim Wright. The Wright amendment is a distortion, a complete deviation from the norm.

Those opposing the amendment raised the possibility of major airlines flooding Love Field. I agree, and that is exactly why I raised the possibility of a compromise. Opponents refuse to address the compromise, it would make the restrictions on Love Field—a relatively small facility close to downtown Dallas—similar to the restrictions on National—a small facility near downtown Washington, as everyone here knows.

Opponents raised the issue of the study currently underway at the Department of Transportation. Senior officials at DOT who are working on the study have told my office that the compromise would solve the environmental noise problem, would not lead to major airlines flooding Love Field, protect regional carriers in the area, and assist the vast majority of the public currently being hurt by the Wright amendment.

Therefore, it is my intention—it will be in a minute—to seek permission to withdraw the amendment with the promise that, following release of this report which is expected in the next 2 or 3 weeks, this amendment or the compromise amendment will be offered to the supplemental appropriations bill. This will allow all of my colleagues to read the report, learn of the negative impact the Wright amendment is having on air passengers throughout the country, and decide to end this Government-imposed monopoly which exists at only one airport in the entire country.

And, during that period, I would ask my colleagues, when flying home, to ask the business travelers you meet, the tourists you meet, who fly to Dallas, whether they would like to land in downtown Dallas or way out of town, half way to Fort Worth.

They can land at National and not Dulles or Baltimore International, why can they not land at Dallas Love Field?

I think that is a question we have to resolve.

I have a feeling, I just know a lot of Members are not apprised of how this amendment affects everyone—everyone. Every Senator in this Chamber—unless your State happens to be contiguous with Texas, or unless you live in Texas—everyone who travels to Indianapolis, or Wichita, or New York City, or Miami, or Newark, or Indianapolis, or wherever, is affected by this monopoly, by this amendment that has been around for 11 years—11 years.

No other airport in the entire country has this protection. I would say of the president of American Airlines—that is the key figure in this—they have a monopoly and they want to keep it. It just seems to me that it is unfair when we have to pay, going from Wichita to Dallas, about 900 percent more than anyone else, than you should pay if you travel that distance by airplane. Between now and the time we have this DOT report, I am going to be sending my colleagues information on how this inconveniences travelers all over the country who may be flying to Dallas. It is not just a Kansas-Texas problem. It is a problem that affects every State in the Nation except those who happen to share a border with Texas or those people who live in Texas. It is an outright monopoly. It never should have been passed in the first place.

I will be contacting my colleagues with a personal letter pointing out how it affects travelers in their States and in some States how it adds to the cost of air travel. As I said earlier, a lot of people would like to fly from Wichita to Dallas to spend money in Dallas, but it costs so much to fly there and they do not have any money left when they land. For many, many reasons this probably should be an outright repeal of the Wright amendment. We have a compromise, and I hope between now and the next 2 or 3 weeks we will have some of the people who oppose the amendment focus on the compromise.

Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The Senator retains the right to withdraw his amendment. The amendment is withdrawn.

The amendment (No. 1151) was withdrawn.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

AMENDMENT NO. 1153

(Purpose: Expressing the sense of the Senate that, in light of current economic conditions, the Federal excise taxes on gasoline and diesel fuel should not be increased.)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Indiana [Mr. COATS], for himself, Mr. SIMPSON, Mr. BOND, Mr. BURNS, Mr. HELMS, Mr. WALLOP, Mr. KASTEN, Mr. GARN, Mr. SYMMS, Mr. MCCAIN, Mr. MURKOWSKI, Mr. SMITH, Mr. DOLE, and Mr. D'AMATO, proposes an amendment numbered 1153.

At the end of title III, insert:

SEC. . FEDERAL GAS TAXES SHOULD NOT BE INCREASED.

(a) FINDINGS.—The Senate finds that—

(1) many sectors of the Nation's economy have yet to recover from the recent economic downturn;

(2) a tax increase would reduce personal consumption, considered to be the engine of the American economy, and an increase in gasoline and diesel fuel taxes would seriously hinder economic recovery;

(3) an increase in the Federal excise tax on motor fuels by five cents per gallon would further damage the economy in that such an increase would—

(A) increase the Consumer Price Index by 0.2 percent,

(B) imperil the current trend towards economic recovery.

(C) reduce America's potential for growth in the Gross National Product in the near term by $11 billion, and

(D) reduce urgently needed job creation by 234,000 job opportunities in the first year;

(4) Federal, State, and local taxes account for nearly 30 percent of the retail price of gasoline;

(5) all States already tax gasoline, and twenty States in the last two years have increased, or considered increasing, their taxes on gasoline; and

(6) gasoline and diesel fuel excise taxes are the most regressive forms of taxation, in that less affluent Americans must spend a greater proportion of their income to pay those taxes than do more affluent Americans.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, in light of the current economic conditions, the Federal excise taxes on gasoline and diesel fuel should not be increased.

Mr. COATS. Mr. President, I am sending this amendment to the desk for myself and also on behalf of Senators SIMPSON, BOND, BURNS, HELMS, WALLOP, KASTEN, GARN, SYMMS, MCCAIN, MURKOWSKI, SMITH, DOLE, and D'AMATO.

The purpose of this amendment, which is a sense-of-the-Senate resolution, is to reaffirm the Senate's strong position that the resolution of the highway funding authorization and appropriation ought to be accomplished without a gas tax increase. As most of our colleagues know, we currently are at somewhat of an impasse in terms of moving this legislation forward because of the discussion taking place in the House of Representatives relative to a gas tax.

I, along with 90 of my Senate colleagues, after a great deal of debate and discussion over how we would advance funding to address critical infrastructure problems that exist among our transportation system, how we would address that funding for the next 5 years. I supported the bill passed by this body that strongly put the Senate on record as saying that we can do this without a gas tax increase.

I commend the chairman of the Transportation Subcommittee, and the ranking member, and the leadership for their efforts in helping work out a compromise piece of legislation that provides for significantly increased funding for infrastructure needs in this country, that worked on the distribution formula in such a way that States like Indiana and others that had been donor States to the highway trust fund will now receive under the Senate legislation a dollar back for every dollar contributed. That had been something that was sort of sticking in the craw of Indiana taxpayers for a long, long time. There were a lot of tough, difficult negotiations that provided for this distribution on an equitable basis for the future whereby Hoosier taxpayers would get a dollar back for every dollar they put into the trust fund.

It also provided for flexibility that State and local governments need to make the determinations about priorities for the transportation systems. So a great deal in the Senate bill commends itself to passage. I was pleased to support that.

However, as the bill traveled to the other body, the concept of funding certain demonstration projects within certain areas of the country arose before the Members, and because of budget constraints and other reasons, an offset of a nickel-a-gallon gasoline tax increase was proposed. That has thrown the House of Representatives into deadlock. As a result, the transportation authorization bill is not progressing forward. As we all know, that runs out on September 30.

I think it is unfortunate that that is the case. While it appears on the surface that the so-called nickel-a-gallon gas tax increase would provide some benefit for certain areas and certain States may be better off under this because it lists specifically certain demonstration projects that obviously people in my State and other States are interested in, when you look at it more closely, you realize that it is a no-win proposition because when you add up the amount of extra revenue that taxpayers will have to pay to put into the fund to fund back the same $6.6 billion of so-called demonstration projects, most States end up being net losers.

I urge my colleagues to look at how their State fares in this game of moving some money around to fund certain pet projects and yet denying States and local communities the flexibility they need to determine priorities.

I know the Senate is interested in moving forward, and I will not take a great deal of time, but let me briefly discuss the situation as it exists in Indiana. Before I do that, I see the majority leader has taken the floor. I will be happy to yield to the majority leader if he wishes.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. I thank my colleague for his courtesy.

Mr. President, am I correct in my understanding that under a previous order agreed to yesterday the Senate, at 12:30 p.m. today, or at this time, is to return to consideration of debate on the Jeffords-Metzenbaum amendment to the Interior appropriations bill?

The PRESIDING OFFICER. The majority leader is correct.

Mr. MITCHELL. Mr. President, I see the managers of the bill present, the distinguished Senators from New Jersey and New York. I inquire of them as to whether they think with another 10 or 15 minutes we might be able to complete action on the bill now before us; that is, the Transportation appropriations bill? If the answer is in the affirmative, I am going to ask that we be permitted to do that and then start the debate on the Jeffords-Metzenbaum amendment a little later, have the vote a little bit later, but that means we would be through and complete action and debate by midafternoon and be able to get both bills done.

Mr. LAUTENBERG. Mr. President, I would like to respond to the majority leader's inquiry and say that almost all of the amendments that we were aware of have been dealt with. We are left with some colloquys. We do have an agreement on an amendment that is pending from Senator WALLOP and one from Senators ROBB and WARNER. We have the pending amendment offered by the Senator from Indiana.

As far as I am concerned, this can be wrapped up quickly, but we would have to hear from my colleague, the ranking member. Otherwise, all signals, I would say, are go and we could have a vote on this bill shortly.

Mr. D'AMATO. Mr. President, we have two noncontroversial amendments, that we can sign off on. In addition, there is one outstanding amendment by Senator SMITH. I have just spoken with him and he insists upon offering that amendment. His amendment would require a vote. It concerns the reallocation of some $387 million in highway funds. I suggest that if we could dispose of all of the other amendments, we restrict him to a half hour, make the amendment not amendable, and have a vote on it.

Mr. MITCHELL. Is that agreeable to Senator SMITH?

Mr. LAUTENBERG. It depends on when.

Mr. D'AMATO. If we resume at 2, could we lay aside the grazing amendment for that half hour and have the Smith amendment considered and voted upon within 30 minutes? We might allocate 15 minutes on each side, and provide that no other amendments would be in order. This way we would have a time certain to finish and then go to final passage.

Mr. MITCHELL. Might I suggest, so as not to delay further, that I obtain unanimous consent to continue on this bill for an additional 15 minutes in the hopes that Senators can complete everything other than that. In the meantime, we will attempt to work with the Republican leader and the other interested Senators to see if we can devise an agreement that enables us to get all of these matters done at the earliest possible time.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the prior order be amended so as to change the times in the order from 12:30 until 2:15 to the new times of 12:50 until 2:35 p.m., all other provisions of the order to remain in effect.

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

Mr. MITCHELL. Mr. President, I thank my colleagues, and I hope my colleagues will be able to complete action.

The PRESIDING OFFICER. The Senator from Indiana has the floor.

Mr. COATS. Mr. President, understanding the desires of the majority leader and the chairman and ranking member to wrap this up, I will briefly summarize what I am attempting to do here.

It is my understanding that my amendment will be accepted and voted on by voice vote. So I will try to wrap-up as quickly as I can.

Let me just make two points and use Indiana as an illustration.

At first glance it appears that the legislation proposed by the House to provide a nickel a gallon gas increase to fund certain demonstration projects is a benefit. Under that, Indiana would receive $300 million more than under the current Senate bill. But Hoosier taxpayers would pay in the first year an additional $675 million. Any way you figure it, that is a net loss to Hoosier taxpayers of $375 million.

So while it appears on the surface that some money would be directed immediately into needed projects, in the overall scheme of things Indiana is going to lose significantly. In order to gain 300, it pays 675. Clearly, the $375 million extra money it would give under the Senate bill would more than cover the so-called demonstration projects that are targeted under the increase.

A nickel a gallon of increase will have a significant negative impact on the Nation's economy. We have seen this in the past, and we should not be surprised that CBO and others estimate that families earning less than $20,000 a year spend a disproportionate share of their income on gasoline taxes. It is one of the most regressive forms of taxes. It hurts those who have to commute to work. It hurts the poor. It hurts the elderly. It is a penalty on the average citizen that they should not have to pay. It also has a regressive effect on our economy. We are in the midst of a fragile recovery. It is important that we not negatively impact that recovery as a gasoline tax would do.

Mr. President, I have a number of additional items that I wish to submit in support of this amendment. I thank the Senators for their patience.

At this time, I ask passage of the amendment and urge my colleagues to support it.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MOYNIHAN. Briefly, in light of the time agreement, I would like to note that the amendment of the distinguished Senator from Indiana puts us at odds with the leadership of the House of Representatives. Mr. ROE, the chairman of the Committee on Public Works, has proposed that there be such a tax and the Speaker, Mr. FOLEY, has supported it as well, on the grounds, for example, that gasoline prices are today the lowest they have been since the 1950's.

However, this is clearly the view of the Senate. It is the view of the ranking member, my colleague and friend from New York, Mr. D'AMATO, and my able and learned friend from New Jersey, Mr. LAUTENBERG. I would simply wish to record that when the Senate takes this position, we rightly tell the House that we cannot go forward on the basis proposed there. Furthermore, the President has said he would veto such a bill. So we had better get on with the measure.

We passed our Surface Transportation Act June 19 by a vote of 91 to 7. The current program expires in 2 weeks, on the last day of September. There is no chance that we shall not miss that deadline, but we have been ready since June. I would hope the House might hear our fraternal plea that they must pass a surface transportation bill. We cannot, we dare not go home without a Surface Transportation Act. The issue of the gasoline tax, should be moot now. Perhaps we can go forward now. We had better do so or the country will want to know why we have not.

I speak also for my colleague, Mr. SYMMS. He is unavoidably detained at this moment. I thank my friends. I thank the managers.

I yield the floor.

Mr. MCCAIN. Mr. President, I am pleased to join Senator COATS in sponsoring an amendment to express the sense of the Senate that the Federal excise taxes on gasoline and diesel fuel should not be increased.

After last year's budget deal, one might think that the Congress had satiated its desire for tax increases. Apparently that is not the case as Democrats in the House consider a nickel increase in gas taxes to fund a new $33 billion entitlement program in the highway bill.

The proposed gas tax increase comes at a time when the highway trust fund

has a surplus of $19,596,487,936.54 as of July 31, 1991. But, when you use the highway trust fund, like the Social Security trust fund was previously used, to mask the true size of the deficit, you cannot meet the infrastructure needs of the Nation.

The highway trust fund is a hostage to the ill-conceived budget deal and only supports Government spending in other accounts by artificially disguising the true magnitude of the Federal deficit.

It is also interesting to note the disregard of low-income Americans who would bear the largest part of the burden of this tax increase. It brings into question the validity and sincerity of some Members' concern about tax fairness.

Unfortunately, tax fairness has provided the rhetorical veneer for tax increases that only seem to adversely impact working Americans and the economy.

Furthermore, the economic impact of another tax increase on a weak economy that is just beginning to show signs of recovery is simply bad economic policy. A tax-induced price increase in gasoline and diesel would work to increase inflationary pressures while decreasing employment and gross national product.

A gas tax increase is just plain bad economic policy.

Mr. President, I am proud to be a cosponsor of this amendment that will protect working Americans from another ill-conceived tax increase.

Mr. President, I urge my colleagues to support this amendment in the name of genuine tax fairness, not rhetorical tax fairness.

We cannot tax our way to prosperity.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 1153) was agreed to.

Mr. FORD. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 1154

(Purpose: An amendment calling for the Department of Transportation to conduct a study of the potential costs and benefits of telecommuting—including an estimate of the economic, social and public interest impact of the practice of telecommuting taking into account the effect on employers, employees, the public at large and family care needs)

Mr. D'AMATO. Mr. President, I send an amendment to the desk on behalf of Senator BURNS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from New York [Mr. D'AMATO], for Mr. BURNS, proposes an amendment numbered 1154.

Mr. D'AMATO. 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:

TELECOMMUTING STUDY

(a) STUDY.—The Secretary, in consultation with the Secretary of Energy, shall conduct a study of the potential costs and benefits to the energy and transportation sectors of telecommuting. The study shall include—

(1) an estimation of the amount and type of reduction of commuting by form of transportation type and numbers of commuters;

(2) an estimation of the potential number of lives saved;

(3) an estimation of the reduction in environmental pollution, in consultation with the Environmental Protection Agency;

(4) an estimation of the amount and type of reduction of energy use and savings by form of transportation type; and

(5) an estimation of the social impact of widespread use of telecommuting.

(b) This study shall be completed no more than one hundred and eighty days after the date of enactment of this Act. A report, summarizing the results of the study, shall be transmitted to the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate no more than sixty days after completion of this study.

GLASS HIGHWAYS—TRANSPORTATION OF THE FUTURE

Mr. BURNS. Mr. President, I rise today to offer an important amendment—an amendment that calls for study of the potential costs and benefits of telecommuting. I ask for its immediate consideration.

The study will provide us with an estimate of the economic, social, and public interest impact of the practice of telecommuting taking into account the effect on employers, employees, the public at large as well as the handicapped, and family care needs.

We need to fully examine the societal and governmental impediments to telecommuting and, in turn, propose policies and measures that will minimize such encumbrances for both the public and private employment sectors.

Current demands on our Nation's transportation sector far exceed supply. Transportation infrastructure developments and maintenance costs are mounting. Energy resources are limited. Pollution problems are escalating, along with the costs to correct them, and the Federal Highway Administration reports that by the year 2005 American business will incur a $54 billion annual productivity loss caused by traffic problems.

In a recent study performed by Arthur D. Little, "Can Telecommuting Help Solve America's Transportation Problems," substituting telecommuting for as little as 10 to 20 percent of the activities that currently require transportation could provide annual savings of $23.2 billion.

Telecommuting has many benefits in addition to those quantified in the ADL report including increased highway safety, tree conservation, better employment opportunities, flexible work schedules, increased opportunities for independent contractors and even decreased impact of disasters such as earthquakes and floods.

Business will realize lower expenses for business travel as well as office space, improved employee retention rates, better access to talent, and even productivity improvements through increased access to training, better employee interaction among sites, and quicker access to information. Consumers will realize price reductions if business can pass on these savings.

Instead of concrete and steel, our highways of the future will consist of fibers of glass! Think of fiber optics as an information highway on which millions of cars or bits of information travel each second. Those cars can go anywhere in the world instantly. The possibilities are limited only by the human mind.

Our Nation faces many problems including an overburdened transportation infrastructure, a global economic competitive struggle, and a continuing domestic economic weakness. A closer look at some of these challenges illustrates why rapid deployment of an advanced communications infrastructure is so important and what we can do to speed the development of this vital network.

Adoption of this amendment will provide another important step in the direction of full realization of the many benefits of an advanced communications infrastructure.

Thank you, Mr. President. I yield the floor.

Mr. D'AMATO. This is a study that relates to telecommuting. We have accepted it. The majority has accepted it. It says the Secretary shall consult with the Secretary of Energy and conduct a study.

I urge its adoption.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 1154) was agreed to.

Mr. LAUTENBERG. I move to reconsider the vote.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 1155

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New York [Mr. D'AMATO] for Mr. WALLOP (for himself and Mr. SIMPSON), proposes an amendment numbered 1155.

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

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

The amendment is as follows:

At the appropriate place in the bill add the following:

Notwithstanding section 127 of title 23, United States Code, the State of Wyoming may permit the use of the National System of Interstate and Defense Highways located in Wyoming by vehicles in excess of 80,000 pounds gross weight, but meeting axle and bridge formula specifications in section 127 of title 23, United States Code, until June 30, 1992.

Mr. D'AMATO. This is an amendment on behalf of Senator WALLOP and Senator SIMPSON. It has been agreed to on both sides. The State of Wyoming is affected. It gives additional time for them dealing with trucks that weigh more than 80,000 pounds and up to 117,000 pounds.

Mr. LAUTENBERG. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 1155) was agreed to.

Mr. D'AMATO. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 1156

(Purpose: To provide for a reexamination of certain policies of the United States regarding the use of certain ports of entry)

Mr. LAUTENBERG. Mr. President, I have an amendment for Senators ROBB and WARNER. I send it to the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Jersey [Mr. LAUTENBERG], for Mr. ROBB (for himself and Mr. WARNER), proposes an amendment numbered 1156.

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

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

The amendment is as follows:

At the appropriate place in the bill insert the following:

SEC. 17. (a) In light of recent positive changes in the Union of Soviet Socialist Republics, Congress finds that the Secretary of Defense and the Commandant of the Coast Guard should reexamine policies of the United States regarding the restricted use of certain ports of entry by ships, and crew members thereof, of the Union of Soviet Socialist Republics, including commercial cargo, passenger, fishing and fisheries support vessels. The Secretary of Defense and the Commandant of the Coast Guard shall jointly report back to Congress within 30 days following the date of the enactment of this Act regarding their examination of such policies, together with their recommendations.

(b) For purposes of this section, the term "ships" means ships owned by, under the flag of, or operated by crew members of, the Union of Soviet Socialist Republics.

Mr. LAUTENBERG. This amendment asks the Secretary of Defense and Commandant of the Coast Guard to reexamine their policies of prohibiting ships owned and manned by citizens of former Soviet States from the Port of Hampton Roads.

Mr. ROBB. Mr. President, I rise today to celebrate the realization of peace between the United States and the former Soviet Union, and to bring home part of the peace dividend.

As you know, Mr. President, the independence of the former Soviet republics is tribute to the export of American democratic ideas. These new nations also need other kinds of American exports: Our grain, our manufactured goods, and almost every kind of commodity.

For years, however, many of the ships which could carry America's plenty to these new markets have been banned from the Port of Hampton Roads. Ships manned by crews from the former Soviet Union have been prohibited from the port for reasons of national security, due principally to the port's proximity to the Norfolk Naval Base.

I applaud the intent of the Department of Defense and the Coast Guard in protecting our national secrets. But their policy allows ships under the command of Soviet captains into Hampton Roads only if the captain and the first mate leave the ship first. The effect of this policy, Mr. President, is to give a powerful incentive for ships commanded by Russians, Latvians, Georgians, and Lithuanians to avoid America's prime seaport.

I believe that events have simply bypassed this policy. The Soviet Union has filed for reorganization. The new era in relations has gone so far that Soviet warships recently put in at Hampton Roads as part of a naval exchange visit. It seems to me, Mr. President, that if we can allow Soviet warships with Soviet crews into the port, civilian vessels commanded by former Soviet citizens and coming to carry American products pose no more threat.

Therefore, I am proposing an amendment which would ask the Secretary of Defense and the Commandant of the Coast Guard to reexamine their policy prohibiting ships owned or conned by citizens of the former Soviet states from the Port of Hampton Roads. If America is to help revive the economic heartbeat of Eurasia, it does no good to clog our principal artery.

I am sensitive, Mr. President, to the demands of national security, and I will not accept any policy which compromises that security. I do believe, though, that like fortresses to protect ports from pirates, history may have made some precautions more costly than their probable benefits. I hope that the Secretary of Defense and the Commandant of the Coast Guard will agree, and will allow America's economic strength to again flow unfettered through the Port of Hampton Roads.

Mr. WARNER. Mr. President, I rise today to speak on behalf of the amendment offered by my friend and colleague from Virginia, Senator ROBB and myself. This amendment calls for a reexamination of certain policies of the United States regarding the use of certain ports of entry. For the past decade, and particularly during the dramatic events in Eastern Europe in recent years, I have continuously worked to have the U.S. port security policy reevaluated and updated.

On March 2, 1990, I wrote to Gen. Brent Scowcroft, President Bush's National Security Adviser, requesting that the National Security Council review the present port security policy concerning Warsaw Pact ship calls on U.S. ports, in particular Hampton Roads, VA. Later that same year, on June 18, 1990, I, along with Senator ROBB and Congressmen BATEMAN, SISISKY, and PICKETT wrote to President Bush asking him to consider opening up the Port of Hampton Roads to Polish merchant vessels. To tie all of this together, I then attached an amendment to S. 2884, the National Defense Authorization Act for Fiscal Year 1991, requiring the Secretaries of Defense and Transportation to conduct a port security policy review and report their findings to Congress.

On May 7, 1991, President Bush announced a major revision in U.S. port access policy. The new policy provides access for commercial cargo, passenger, fishing and fishing support vessels of the countries of Eastern Europe to all United States ports on the basis of 24 hours' notice of entry into the port. This revision opened 12 U.S. ports, including Hampton Roads, VA, previously closed for national security reasons to vessels from that region. That liberalization was a significant and welcome initiative and I commend the President for his action.

However, due to the current dramatic restructuring of the Soviet Union, I believe that the port access policy requires further review and study. For example, what will be the restrictions on ships with a Lithuanian, Latvian, or Estonian captain or chief mate and what restrictions will apply to the Soviet republics that are expected to form the Union of Sovereign States?

For those reasons, on September 11, 1991, I again wrote to General Scowcroft requesting that the current port access policy be reviewed and updated in order to keep it in line with the rapidly changing world geopolitical structure.

Our amendment will be another step in this direction. A change of policy, if justified, will be beneficial not only to United States ports but also to the emerging Soviet republics, whose fledg-

ling economies will welcome increased port of entry options.

In closing, I would like to add that while I strongly support a review of the present port security policy, I certainly want to ensure that U.S. security is not compromised by a precipitous change in policy. However, where security concerns have changed, the old policy may no longer be justified. The study required by this amendment should determine whether a change of policy is justified and, if so, what security precautions should accompany such change.

Mr. LAUTENBERG. I urge adoption of this amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 1156) was agreed to.

Mr. D'AMATO. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 1157

(Purpose: To authorize the change of the name of a certain State compact previously consented to by Congress)

Mr. D'AMATO. Mr. President, on behalf of Senator LOTT, I send an amendment to the desk, technical in nature, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New York [Mr. D'AMATO], for Mr. LOTT, proposes an amendment numbered 1157.

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

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

The amendment is as follows:

At the appropriate place in the bill insert the following:

SEC. . For purposes of the Act of June 30, 1962 (96 Stat. 150), giving the consent of Congress to a compact relating to the establishment of a commission to study the feasibility of rapid rail transit service between certain States, the Congress authorizes the parties to such compact to change the name of such compact, including the name or names of any commission or other entity thereunder.

Mr. D'AMATO. This is a technical amendment. It does not affect the powers or jurisdiction of the compact. It is being offered with the understanding that if the Judiciary Committee does not approve, it will be dropped in conference. We do not believe there will be any opposition to it, but we are accepting it with that proviso.

The PRESIDING OFFICER. Is there further debate?

Mr. LAUTENBERG. The amendment is acceptable.

The PRESIDING OFFICER. If not, the question is on agreeing to the amendment.

The amendment (No. 1157) was agreed to.

Mr. D'AMATO. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I would like to congratulate the managers for their outstanding leadership in crafting the fiscal 1992 Department of Transportation appropriations bill. The Senator from New Jersey and the Senator from New York are leaders in this field.

As the managers of S. 1204, the Surface Transportation Efficiency Act 1991, Senator SYMMS and I would like to clarify our view of a provision in the bill. The committee report accompanying H.R. 2942 states that the committee has provided $30 million from the highway trust fund for the National Magnetic Levitation Design Program that would be created by section 116 of S. 1204. Of this amount, $5 million would be provided for corridor studies.

The committee report for H.R. 2942 states that the committee believes that the magnetic levitation and high speed rail research activities of the Federal Railroad Administration are within the scope of S. 1204 and should be funded from the highway trust fund.

It is the view of the Committee on Environment and Public Works that the only magnetic levitation transportation activities authorized in S. 1204 to receive funding from the highway trust fund are those activities within the scope of the National Magnetic Levitation Design Program as described in section 116. Section 116 does not authorize activities on the FRA.

Mr. SYMMS. I agree with the remarks of the senior Senator from New York.

Mr. MOYNIHAN. Authorization of FRA activities, including high speed rail activities, are within the jurisdiction of the Committee on Commerce rather than the Committee on Environment and Public Works, and would not then be an appropriate subject of authorization for section 116 of S. 1204.

Mr. SYMMS. I agree with the remarks of the senior Senator from New York.

Mr. MOYNIHAN. It is also our view as managers of S. 1204 that highway trust fund money for the National Magnetic Levitation Design Program ought to be disbursed through the Federal Highway Administration and not the FRA.

Mr. SYMMS. I again concur with the remarks of the Senator from New York.

FURLOUGH OF AMTRAK EMPLOYEES

Mr. ROTH. Mr. President, I wish to engage the distinguished floor leader and my good friend from New Jersey, Senator LAUTENBERG in a colloquy regarding the funding levels for Amtrak, as included in this, the fiscal year 1992 Department of Transportation and Related Agencies Appropriations Act. I can say that nowhere is there a stronger supporter for Amtrak than the distinguished Senator from New Jersey, and I wish to include myself in this company.

Mr. LUGAR. Mr. President, I too wish to engage in this debate as the issue my good friend the senior Senator from Delaware raises is also of grave concern to me and my constituents in Indiana.

Mr. ROTH. Mr. President, the issue concerns the possibility that a shortfall in Amtrak operating funds for fiscal year 1992 may result in the furlough of a number of employees located in Bear, DE, and Beech Grove, IN. The employees at Bear, DE, are unsurpassed in their dedication to provide this Nation with a fast and efficient, rail system, and have a proven track record in safety that is excellent. At this facility Amtrak performs the critical locomotive maintenance so important to the continued operations of Amtrak.

Mr. LUGAR. Mr. President, Amtrak employs hundreds of Hoosiers at its Beech Grove maintenance facility in Indianapolis. It is my understanding that potential revenue shortfalls could injure a number of my constituents by causing furloughs of up to 294 Beech Grove employees. We understand that the Senator from New Jersey is familiar with the revenue shortfall situation that Amtrak currently faces, and the subcommittee has responded by increasing Amtrak's operating grant by $10 million above its original request of $321 million. This amount is $3.1 million more than the level appropriated by the House of Representatives. We are grateful for the Senator's efforts, and hope that he will do all that he can during the upcoming conference with the House of Representatives, to insure that the higher level of funding for Amtrak be included in the final conference agreement.

Mr. ROTH. Mr. President, we also hope that the committee will continue to monitor the possible Amtrak operating budget shortfall, and take actions in the future as necessary to avoid disruption to our National Passenger Rail System. Of course, we also feel that Amtrak should do all it can to reduce its budget, but under no circumstances should the maintenance and safety record of Amtrak be sacrificed.

Mr. LAUTENBERG. Mr. President, my good friends from Delaware and Indiana, raise an issue that also concerns me very much. Let me assure them that I am sensitive to the situation and will do all I can to insure that the highest possible funding levels for Amtrak will be included in the conference agreement. I also wish to avoid furloughs of Amtrak's conscientious employees, and I will continue to monitor

the Amtrak operating budget for fiscal year 1992.

Mr. ROTH. I greatly appreciate the willingness of the distinguished floor manager to engage in this colloquy and respond to our concerns.

Mr. LUGAR. I too am very appreciative of the sensitivity of the Senator from New Jersey to our concerns. The Senator's record of support for Amtrak is well known in this body.

Mr. BIDEN. I would like to commend my colleagues for raising this important issue. Amtrak owes much of its existence to the dedication and sacrifice of thousands of employees. The current recession has placed further demands on those employees. As my colleagues have pointed out, Amtrak has asked for a small degree of flexibility to transfer funds from its capital budget to its operating budget to avoid furloughs in its car maintenance facilities.

I would like to emphasize that it is our hope, and Amtrak's, that this authority will never be used. Revenue shortfalls may not be as severe as feared, and a transfer may not be needed.

But if the shortfall does develop, the transfer will help prevent reductions in maintenance of Amtrak's rail cars. As Amtrak has told us, it is crucial that existing rail equipment be maintained in as safe as condition as possible. But without the transfer authority, Amtrak may have no choice but to cut back on discretionary maintenance.

Employees at the Wilmington shop take great pride in their work, as they have since the facility first opened in 1903. I know our colleague from New Jersey has strongly supported Amtrak, and appreciate his commitment to support the highest possible funding levels for Amtrak and to avoid furloughs for Amtrak employees. I look forward to working with the Senator to avert Amtrak reductions in the months ahead.

SURFACE TRANSPORTATION

Mr. MOYNIHAN. Mr. President, I would like to engage in a brief colloquy with the managers of the bill, the Senator from New Jersey and the Senator from New York, regarding the relationship between this legislation and the yet-to-be-enacted 1991 surface transportation bill.

The Surface Transportation Efficiency Act of 1991 (S. 1204), which passed the Senate on June 19 by a vote of 91 to 7, would authorize Federal surface transportation programs for the next 5 years. I note that the appropriations bill now before the Senate assumes that at least some provisions of S. 1204 will be enacted. Section 115(d) of S. 1204 would create a Bureau of Transportation Statistics within the Department of Transportation to collect, interpret, and report information about transportation.

The appropriations bill before the Senate includes no specific funding for the new Bureau of Transportation Statistics. I wonder if the managers of the bill would agree that it would be appropriate to provide a specific amount of funding for this new Bureau in the coming fiscal year.

Mr. LAUTENBERG. I agree with the senior Senator from New York. It would be appropriate to provide specific funding to the Bureau, and I look forward to the opportunity to do this in conference.

Mr. D'AMATO. I agree with the comments of my colleague from New York, and concur with the remarks of the Senator from New Jersey. I hope we will be able to do this in conference.

Mr. MOYNIHAN. Do the managers agree that it would be appropriate to provide at least $11 million for fiscal year 1992, $10 million of which would go to fund the activities of the Bureau of Transportation Statistics and $1 million of which would go to fund the activities of the Advisory Council on Transportation Statistics.

Mr. LAUTENBERG. The amounts suggested by the senior Senator from New York are appropriate, and I will support the inclusion of such amounts in our conference with the House.

Mr. D'AMATO. I concur that the amounts suggested by my colleague from New York are appropriate, and I, too, will support them.

Mr. MOYNIHAN. I thank the managers.

NORTH CAROLINA TRANSIT PROJECTS

Mr. SANFORD. Mr. President, I would like to engage the distinguished manager of this bill, Senator LAUTENBERG, in a discussion of funding for North Carolina transit projects.

Mr. LAUTENERG. I would be glad to discuss this matter with the Senator from North Carolina.

Mr. SANFORD. As the Senator knows, the House 1992 Transportation appropriations bill included funding for two transit projects in North Carolina. First, the committee included $750,000 in funding to assist the Research Triangle Regional Public Transportation Authority with a regional transit study. Also, the committee allocated $500,000 to assist the city of Charlotte with planning for a light rail system.

Both of these projects are tremendously important to me and to North Carolina. The Research Triangle area and the city of Charlotte have experienced rampant economic expansion and population growth over the last several decades which has led to increased congestion and pollution problems as well. Providing the two North Carolina communities with transit study money will allow these areas to efficiently and responsibly address their growing transit needs.

The Senate appropriations bill does not take exception to the funding for these two North Carolina communities. It is my understanding that this means the Senate Transportation Appropriations Subcommittee supports these projects, and that the Senate bill should be interpreted to include funding for the projects. Is this correct?

Mr. LAUTENBERG. Yes, the Senator is correct. The Transportation Appropriations Subcommittee is supportive of funding for these two transit planning projects. Under the Senate passed bill S. 1204, the surface transportation reauthorization bill, which this committee followed in bringing this spending bill to the floor, planning funds are distributed by formula and the specific earmarks were not included. However, if the opportunity presents itself, we certainly plan to have the projects included in the final conference report of the 1992 transportation appropriations bill.

TUCSON DIAL-A-RIDE TRANSIT SERVICES PROJECT

Mr. DECONCINI. Mr. President, I would ask the manager of the bill, my friend and colleague from New Jersey, Senator LAUTENBERG, whether he would enter into a colloquy regarding the mass transportation needs of the elderly and physically challenged constituents residing in my hometown, Tucson, AZ.

Mr. LAUTENBERG. Mr. President, I would inform my good friend and colleague from the State of Arizona that I would be pleased to enter into a colloquy on this important issue. I would note for my friend that I have also had a longstanding interest in this area.

In May, I introduced the Elderly and Handicapped Transportation Improvement Act, S. 1067, which provides for significant new Federal resources to local governments and nonprofit organizations to assist them in the development of modern solutions to current and future transportation problems confronting older and disabled Americans. S. 1067 would authorize $400 million for grants and loans over 5 years to pay operating expenses related to new and existing mass transportation services for elderly and handicapped persons. As the Senator from Arizona knows, S. 1067 was added to the substitute highway bill, S. 1204, introduced by Senator BURDICK, the distinguished chairman of the Committee on Environment and Public Works.

Mr. DECONCINI. Mr. President, if the Senator would yield, I would inform the Senator from New Jersey that his leadership in this area is well known. In fact, I sought to tap that very interest in pursuit of vital additional transit aid for the city of Tucson. Thus, I sent a request to the Senator from New Jersey earlier this year on behalf of the city of Tucson asking for Federal assistance in order to fund a very important mass-transit project called Tucson Dial-a-Ride.

The relatively low density of housing within the city of Tucson makes it exceedingly difficult to locate bus stops that are close and convenient to the

majority of homes. Tucson Dial-a-Ride would provide on demand shuttle bus service to a major fixed transit route with minute-by-minute arrival time readouts of the next service at the transfer stops. Hence, the project would alleviate much of the inconvenience associated with waiting for bus service. Also, the transfer stop would be cooled through the use of cool tower developed by the Environmental Research Laboratory in Tucson.

Under current law, funding for grants and loans for elderly and handicapped are not distributed by formula. The Senate-passed highway bill, S. 1204, would change that. However, the House version of the provision of the bill we are presently considering assumes that current law would be maintained. Hence, the conference will need to resolve this matter and there is some chance that the current law will be maintained.

In the event that the House does not agree to formula funding, it is my understanding that the Senator from New Jersey would give every consideration to funding the Tucson Dial-a-Ride project. I ask the manager of the bill if I have correctly presented our understanding.

Mr. LAUTENBERG. Mr. President, I advise the senior Senator from Arizona that he is correct. The Senate Transportation Appropriations bill before us today was prepared assuming the new formula funding. But, there is obviously a chance that the Senate language may not prevail. Should that occur, I would of course give every consideration to funding the Tucson Dial-a-Ride project.

Mr. DECONCINI. I thank my friend from New Jersey, Senator LAUTENBERG, for his willingness to take another look at this project in conference. Let me reassure the Senator from New Jersey that this Senator also appreciates the many fine things he has already done for my constituents in Arizona in the bill, especially in light of the severe fiscal restraints under which he and my good friend Senator D'AMATO, the ranking member, have had to labor. I would also like to thank the committee staff, particularly Pat McCann, Anne Miano, Peter Rogoff, Joyce Rose for their constant professionalism and courtesy to this Senator and his staff.

NEBRASKA PROJECTS

Mr. KERREY. Mr. President, I wish to ask the distinguished floor manager of the bill a question.

Mr. LAUTENBERG. Certainly.

Mr. KERREY. The House version of the Transportation appropriations bill included $4 million for a bridge between Niobrara, NE and Springfield, SD. Both States have committed funds to this project and all four of the Senators from the two affected States requested funding for this project.

The subcommittee did not include the project and the Senator indicated that it was not his intent to fund projects which were in the House bill. Is that correct?

Mr. LAUTENBERG. Yes, the Senator is correct.

Mr. KERREY. So, the reason that the subcommittee did not include the funding which the four Senators requested is not because of any particular opposition to the project, but only because the funds were in the House bill. Is that correct?

Mr. LAUTENBERG. Yes.

Mr. KERREY. I know that we had a similar situation in past years with respect to the Lincoln railroad-highway demonstration project. Some years the project would be in the House bill and some years in the Senate bill, but never in both. Are we seeing the same basic procedure here?

Mr. LAUTENBERG. Yes.

Mr. KERREY. I would point out the interest of my State in this project and ask the chairman of the subcommittee if he can give me assurance that this project will receive full consideration in conference.

Mr. LAUTENBERG. Yes.

Mr. KERREY. I would also point out that there are funds in the Senate bill but not the House bill for a study of the feasibility of constructing another bridge between Nebraska and South Dakota, this one between Vermillion and Newcastle. I would also request that the chairman of the subcommittee do everything possible to hold these funds in conference.

Mr. LAUTENBERG. Yes.

Mr. KERREY. I thank the distinguished chairman of the subcommittee.

YOSEMITE NATIONAL PARK

Mr. CRANSTON. I wish to ask the floor manager of the bill if he would engage in a brief colloquy with me regarding a $300,000 study to be conducted in our national parks provided for in the 1992 transportation appropriations bill.

Mr. LAUTENBERG. I am happy to do that.

Mr. CRANSTON. As the Senator is well aware, many of our national parks, such as Yosemite National Park in California, are currently experiencing tremendous popularity. Unfortunately, most people visit the parks in their automobiles and as a result the amount of traffic in these parks is leading to growing traffic jams, creating air pollution, and generally wreaking havoc in these fragile wildlife habitats.

The bill pending before us provides $300,000 for a study of transportation alternatives to the automobile that could be used in our national parks.

Mr. LAUTENBERG. The Senator from California is correct.

Mr. CRANSTON. It is also the understanding of the floor manager that the focus of the study will be on three national parks—Yellowstone, Yosemite, and Denali—as provided in S. 1204?

Mr. LAUTENBERG. That is also correct.

Mr. CRANSTON. Currently, an effort is underway to develop a Yosemite Area Regional Transit System among representatives of counties surrounding Yosemite National Park. Local funds have been provided for this effort by Mariposa County. Mariposa and other counties plan to provide additional funds for other phases of the project. It is important that the Secretary of the Interior works to facilitate Park Service participation in the regional transit planning now underway at Yosemite National Park.

Mr. LAUTENBERG. I would like to assure that Senator that the intent behind this bill is that the Park Service coordinate with the ongoing local efforts at Yosemite.

INGLEWOOD REDEVELOPMENT PROJECT

Mr. CRANSTON. I should like to bring to the attention of the floor manager a project that he is very familiar with in Inglewood, CA, which entails the recycling of noise-impacted land near Los Angeles International Airport. The chairman has been very helpful and I appreciate his efforts in support of the project in the past.

The Inglewood project demonstrates an innovative and effective use of AIP noise funds by recycling land residential uses to industrial uses compatible with LAX noise levels. And I should point out that this project is supported by the FAA.

Mr. LAUTENBERG. The Senator is correct. Report language related to recycling noise impacted land in Inglewood has been included in the committee report for the past several years. It was our intention to include it again this year and by mistake it was omitted. But I would like to assure the Senator from California that we will be addressing this issue in conference.

Mr. CRANSTON. I think the Senator for that assurance and for all his help over the past several years on this very important project.

CHICAGO-ST. LOUIS RAIL CORRIDOR TRACKWORK LOAN

Mr. SIMON. Mr. President, we rise to address the distinguished chairman of the Senate Subcommittee on Transportation, Chairman LAUTENBERG, in support of a $3.5 million loan guarantee to continue an essential trackwork renovation program between Chicago, IL and St. Louis, MO. Illinois needs to replace the jointed rail sections with welded steel rail, which we know is a standard for Amtrak service.

Amtrak operates trains between Chicago and St. Louis stopping in Springfield, our State capital. This is not only the rail passenger route in Illinois with the largest passenger ridership, but it is a prime candidate for high-speed rail service. A study commissioned by the State of Illinois and studies by the Midwest high-speed rail com-

pact have concluded that there is an excellent potential here not only for raising revenues but for bringing the same benefits to Illinois citizens enjoyed by Amtrak riders on other parts of the system.

Mr. DIXON. Mr. President, given the severe constraints on Federal funds for rail improvements at this time, the State of Illinois has entered into an agreement with a subsidiary of Southern Pacific Railroad to match all Federal loan funds on a 50-50 basis so that this $36 million project can continue to move ahead. In fact, Illinois has overmatched the $7 million Federal funding by providing $12 million for the project to date.

Mr. LAUTENBERG. Mr. President, I thank the Senators for this timely information. I agree that Chicago-St. Louis is an important rail service corridor. You can be sure that the Chicago-St. Louis welded rail trackwork program will be considered during the House-Senate conference on the Transportation appropriations bill.

CHICAGO-ST. LOUIS HIGH-SPEED RAIL STUDY

Mr. SIMON. Mr. President, we are very grateful to our distinguished colleague, Chairman LAUTENBERG of New Jersey, for his tireless work on passenger rail systems whether this means better Amtrak service now or high-speed rail and magnetic levitation systems in the future. Although we are aware of the difficult choices faced by the committee, particularly within the limits on rail funding, we think the $500,000 Chicago-St. Louis high-speed rail study is worthy of including funding at this time within Amtrak's budget.

Mr. DIXON. For several years Illinois has been working toward the goal of high-speed rail between Chicago and St. Louis, the route which runs through Springfield, our State capital. The importance of this route cannot be overstated. It not only connects the two major population centers of Chicago and St. Louis, but has been cited in a number of studies as a top priority for high-speed rail with the potential of recovering future operating costs and debt service from the farebox.

Mr. SIMON. We believe a feasibility study for 135-mph rail passenger service between Chicago and St. Louis is the logical next step needed to consider the lower cost technology which makes this service possible. Since most of the passenger rail systems throughout the Nation will be using the kind of track offered on the Chicago-St. Louis rail system, the study could have very widespread use.

Mr. LAUTENBERG. Mr. President, the Senators are correct in noting my very strong commitment to improving rail passenger service in this Nation. The Senators can be sure that the feasibility study will be considered during the House-Senate conference on the Transportation appropriations bill.

Mr. SANFORD. Mr. President, I want to express my gratitude to my esteemed colleagues, Senator LAUTENBERG, the subcommittee chairman for transportation appropriations and the ranking member of that subcommittee, Senator D'AMATO, for their efforts in drafting this funding bill that is before us today.

Provided within this bill is funding for a project which is exremely important to the economic development of North Carolina—the North Carolina connector project.

Since the Interstate System was first proposed and designed in 1956, our country has gone through quite a few changes demographically, economically, and socially. One area of the country that has witnessed the most change has been the Southeast. In the past years, the South has experienced a significant increase in population. Specifically in North Carolina, there has been an 11.4-percent increase in population since 1980. The industrial atmosphere of the southern community has also changed, with a very large electronic and research contingent relocating within the Sun Belt States, attracting many young professionals and their families.

In light of these changes, I have sought support for the construction of a highway built to interstate standards in northeastern North Carolina. The highway to be developed will connect Raleigh, NC, to Norfolk, VA; increasing education and employment opportunities to the citizens of northeastern North Carolina who are now underserved by the Federal transporation programs.

Raleigh, NC, is home to the Research Triangle Park, where nationally significant research takes place at BASF Corp., IBM, Northrop, GE Semiconductor, and the triangle universities of Duke University, the University of North Carolina, and North Carolina State University. Within the corporate and university research circles, the area has become very widely recognized for its excellence and will continue to act as a model for the development of other State/corporate/university research collaborations.

The Raleigh-Norfolk highway will greatly serve North Carolina and the southeastern region of the United States. The northeastern counties of North Carolina suffer tremendous hardships due to the lack of sufficient transportation to urban areas like Raleigh and Norfolk. A vast number of eastern North Carolinians commute daily to Norfolk to work in the shipyards. As no direct interstate exists, their travel to and from work means they are on small two lane roads at least 2 hours every day. These poor communities cannot easily integrate with the rest of the State or the region due to the lack of transportation. As a result, some of the highest poverty and unemployment rates in the Nation are in this region of the country. An interstate through northeastern North Carolina will make education and employment opportunities more accessible. Providing these small communities with access to more urbanized and industrialized areas will bring many social and economic benefits. This alone, is the most compelling reason for a Raleigh-Norfolk Interstate.

I thank Seantor LAUTENBERG and the Senators on the subcommittee for their suppot and recognition of this dire transportation need in North Carolina. And I thank them for all their efforts in providing for our Nation's infrastructure.

Mr. D'AMATO. Mr. President, we are hopeful that in the few minutes remaining—we understand there is one amendment and only one amendment outstanding. The Senator from New Hampshire [Mr. SMITH] has asked that we preserve his rights. I am doing that and want to give an opportunity for him to be able to offer an amendment that he feels is critical to his State.

If, indeed, we can work out an agreement that would provide him that time, I believe we would then be in a position to go to final passage.

So that is what we are hopefully going to be working out in the time agreement. I want to commend my colleague, Senator LAUTENBERG, for the job he has done in bringing the bill to this point.

Mr. LAUTENBERG. Mr. President, I want to respond to Senator D'AMATO'S comments. We have both worked very hard and very well together to satisfy the need of all of the States.

We are at a point in time where we can move this bill, Mr. President. The wheels are in motion, to use the expression, and we are ready to pass the Transportation bill. I hope that this remaining amendment can be dealt with expeditiously and we can go ahead and vote this afternoon.

We have, per earlier unanimous consent, until 12:50, 2 minutes from now, to work out a final unanimous-consent request. I understand that the majority leader will be putting it forward, and in the interim, 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. GARN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

AMENDMENT NO. 1138

Mr. GARN. Mr. President, I rise today in opposition to the Jeffords-Metzenbaum amendment. I do so for several reasons. First and foremost, I want the Senate to remember that it was in this very body over 100 years ago that policies were established to

encourage our pioneer forefathers to go out West and settle the land. The Homestead Act and other laws adopted by this Government were designed to entice people out of their eastern homes and into the rugged west.

Mr. President, the people of 100 years ago believed their Government, they trusted it, they moved west. For generations, the people of Utah and the rest of the West have given their all to live and eke out a living through livestock grazing.

Now, Mr. President, imagine a government which, in the 1800s encouraged hundreds of thousands of its citizens to endure countless hardships and settle a remote area, only to completely change the rules in the last decade of the 1900's which are, in effect, an extermination order on our rural way of life. This amendment will increase grazing fees to such an extent that within 5 years nearly all Utah ranchers will go bankrupt or voluntarily give up their permits. This amendment is nothing more than a thinly veiled attempt to make the Synar amendment adopted by the House look reasonable. In other words, we are being told that death by cancer is preferable to death by heart attack. I am not comforted by that choice.

In reality, the current grazing formula is working. It floats up and down with market conditions. Today with the price of beef at higher levels than a few years ago, the grazing fee is also higher than a few years ago. Western ranchers on our public lands are not permitted to own their grazing lands. Yet, they are required to install and maintain at their own expense, stock water ponds, fences, and other improvements. None of these expenses are included in the calculation of the grazing fee formula. If they were, we would find that the cost to western ranchers is very competitive with the costs of ranching in other areas of the country. If the Congress of the United States really wanted to be fair, it would deed over these lands to the several Western States and its citizens who, at their own expense, have made these improvements upon the public lands.

Mr. President, Utah is 67 percent owned by the Federal Government. We would love to have our lands back to use as we see fit. We are not so stupid environmentally as to fowl our own nest. We love the lands of our State. With last week's assault on the mining law and now this attempt to wipe out grazing, I have no choice but remind my colleagues that we are talking about real people. Let us talk about Guy Pace and Reuben Morrell, two Wayne county ranchers. Let us talk about Lamar Monroe and his sons from Millard county. These are living human beings whose livelihoods will cease to exist if this amendment or others like it pass the Congress. I will not let these decent, hard working people go out of business without a fight, a very long protracted fight if that is necessary. I am fed up with the do-gooders around here who seem to be so intimidated by the national environmental movement as to literally quake in their boots every time a vote like this comes up in the Senate. When the environmentalists have succeeded in wiping out this industry along with several others in this country, my conscience will be clear. Do we Americans really believe we are so affluent that we can afford to wipe out entire industries by buying-off on the intellectual garbage some environmentalists are selling? Garbage like "no moo in 92 and cattle free by 93."

Livestock grazing, like mining and manufacturing creates actual wealth. It is not the kind of parasitic service industry that some environmentalists would have us do. Our ranchers pay taxes and are solid citizens. They are not leaches sucking our welfare programs and bleeding our already overburdened taxpayers.

Mr. President, enough is enough. I hope the Senate of United States will wake up to the reality that we are being duped in the worst way and our intelligence insulted. I urge my colleagues to reject this ill-founded amendment.

The major problem here is that my colleagues simply do not, never have, and maybe never will understand the problems of a public land State. My State is two-thirds owned by the Federal Government, and when you add the State land, that makes it more than 80 percent. When you are dealing with grazing and mining and these other issues, we are going to have less private land in Utah than the Soviet Union, as they democratize. I wish my colleagues would understand the problems of being so overwhelmingly controlled by the Federal Government, and then maybe these amendments that I think are silly would not be brought up.

I yield the floor.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, we are attempting to complete action on the Transportation bill with one further amendment, and to complete action on the Jeffords-Metzenbaum amendment to the Interior appropriations bill, and do all of that in a manner consistent with the varied and conflicting schedules of Senators throughout the day.

I, therefore, now will propound a unanimous-consent agreement that attempts to do that in a way that will be fully satisfactory to no one, but I hope accommodates everyone's interests sufficiently to permit us to proceed.

Accordingly, I ask unanimous consent that at 2:15 p.m. the Senate resume consideration of the Transportation appropriations bill; that at that time, Senator SMITH be recognized to offer a highway formula amendment; that there be 20 minutes for debate on the amendment, 15 minutes for Senator SMITH, 5 minutes for the opponents; that at 2:35 p.m. the Senate vote on or in relation to the Smith amendment; that immediately upon the disposition of the Smith amendment, the Senate, without any intervening action or debate, proceed to third reading and a vote on final passage of the Transportation appropriations bill; and that immediately upon the disposition of that bill, the Senate resume consideration of the Interior appropriations bill and vote, without any intervening action or debate, on a motion to table the pending Jeffords-Metzenbaum amendment.

I further ask unanimous consent that the first vote be 15 minutes, and the following votes in the above sequence be 10 minutes in length.

The PRESIDING OFFICER. Is there objection?

Mr. METZENBAUM. Mr. President, reserving the right to object, and I do not intend to object, but I need some clarification. How much time does the majority leader indicate will be available for the debate on the Jeffords-Metzenbaum amendment?

Mr. MITCHELL. Under a prior order, that debate was to have commenced 2 minutes ago, at 12:50, and concluded at 2:15 p.m. So as soon as we can get this agreement, the debate will begin and continue until 2:15 p.m. which will be a period of approximately 83 minutes.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. MITCHELL. I thank my colleagues. The respective caucus luncheons will occur as scheduled, and debates as set forth will continue in the time set forth in the agreement.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Senate will now continue with the consideration of H.R. 2686, which the clerk will report.

The bill clerk read as follows:

A bill (H.R. 2686) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1992, and for other purposes.

Mr. NICKLES addressed the Chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

AMENDMENT NO. 1138

Mr. NICKLES. As I understand the agreement, the time is equally divided. I have asked Senator WALLOP to coordinate the time for the opponents of the amendment. I know that there are

several Senators that have requested time to speak on both sides of this issue. I urge them to contact Senator JEFFORDS or Senator WALLOP in that regard to make sure that they have time to work in their statements. Under the UC just agreed to, the time has been squeezed, and in the original request most Senators were asking for 15 minutes or so, and they really will not be able to be accommodated. Senators need to be on notice that they need to come to the floor and work with Senators JEFFORDS and WALLOP to coordinate their statement.

Mr. WALLOP. Mr. President, I yield to the Senator from Nevada.

The PRESIDING OFFICER. The Senator from Nevada is recognized for 5 minutes.

Mr. BRYAN. Mr. President, I rise today to address the sensitive issue of the appropriate level of grazing fees for the use of public lands. The amendment before you today addresses a complex and easily misunderstood issue which deserves careful analysis. A variety of legislative options are being considered which bridge a wide range of options, from permanently fixing in statute the existing fee structure formula at one end, to imposing dramatic grazing fee increases at the other. In any event, each approach is substantive legislation, and it should be processed as such, not as an amendment to the appropriations bill.

The existing grazing fee formula was adopted by the Public Rangelands Improvement Act of 1978 for a 7-year trial period. In 1986, it was extended by Executive order. The base value of the fee is adjusted annually to reflect changes in the prices paid for forage on private lands as well as the market prices of livestock produced.

In Nevada, the majority of BLM permittees are family operations—nearly 88 percent.

Their profit margins are often slim, and many family operations would be severely affected by any dramatic fee increases.

Today's fee for 1991—$1.97 per AUM—represents nearly a 40-percent increase over the past 4 years—indicating that this formula does accomplish its goal of adjusting to reflect changing market conditions.

The fact that over 20 percent of grazing permits and allotments go unused indicates that these fees are in a reasonable range.

Although I rise today in full support of the existing administrative fee formula which I believe is equitable and has worked well since its adoption in 1978, I also want to stress the importance of maintaining and improving the condition of our publicly owned range lands. The fees charged for grazing and the revenue produced from the use of lands should not be the ultimate focus of our deliberations; that focus should be, instead, are we managing our public resource assets as well as we can? And are we devoting adequate resources to the task? Those issues are complex and require substantive legislative analysis, not cursory action on the appropriations bill.

My State of Nevada is 85.6 percent federally owned land. Because so much of Nevada is federally owned, responsible multiple use of that resource is essential for all Nevadans—the hiker as well as the hunter; the rancher as well as the researcher.

In the West, access to public lands is critical for the cattle and sheep industry, as well as beneficial for balanced, multiple use of the lands.

Much of Nevada's Federal land is rangeland and all of it has been severely affected by 5 years of lower than average rainfall. The drought, although part of an eternal cycle of nature, has stressed the land and made the job faced by our land managers more complex. The resources that are adequate to manage the land in an average year or a good year may be very inadequate during a critical year.

Grazing is a fundamental natural process, part of a food chain that existed long before modern Americans claimed this land for their own. The grass and forage consumed by livestock are renewable, and with no technological intervention, are converted to food to be consumed. Fossil fuels and chemical fertilizers are not part of the public range tradition. Although different opinions may exist on the extent to which the public resources are thus used.

There is no doubt that some proper balance can be reached which allows the range to thrive and it should be used. Those who merely seek to eliminate cattle from historic rangelands are plainly misinformed, and efforts to force small cattle operations out of business by dramatic fee increases are misguided.

Well run Federal grazing programs are an essential part of rural life in Nevada. Because the nature of the public range is unique, any fee formula will necessarily result in an inexact application from range to range. However, I believe the existing fee schedule does a good job of balancing cattle prices, production costs, and comparable market lease rates. The fact that much of the available grazing lands go unleased would indicate that the existing fees are in an appropriate range. Since the majority of users of the public range in Nevada are small producers—less than 100 head of cattle—they are very sensitive to market forces and will simply not be able to absorb the large fee increases that some propose. To the extent that fee increases decrease the use of the resource, Federal revenues may fall.

The current system has served the West well, and I urge that it be maintained and that the amendment offered be defeated.

I thank the Chair, and I thank the distinguished Senator from Wyoming.

I yield the floor.

Mr. WALLOP. I reserve the remainder of my time.

The PRESIDING OFFICER (Mr. SIMON). Who yields time?

Mr. JEFFORDS. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Vermont is recognized for 10 minutes.

Mr. JEFFORDS. Mr. President, I want to try to make some order out of all this debate. Many have raised deep concerns about putting family ranchers out of business. Certainly, that is not my intent at all. I would hope that examination of the facts will demonstrate that will not occur.

First of all, let me explain where we are. The Senate is considering an amendment to the House Interior appropriations bill. The House Interior bill included what is referred to as the "Synar amendment," which is represented by the black bars on this chart.

The amendment that Senator METZENBAUM and I have offered is represented by the white bars on the chart.

So you can see right away what we are trying to do is something much more reasonable than what the House did.

Second, there have been arguments that somehow ranchers cannot pay this. It think, there are very substantial arguments that refute that charge.

First of all, no one can dispute that a lot of subleasing went on. Now it may be illegal. I don't particularly care. The fact it occurred indicates what the real value of these permits are.

What happen? Ranchers get these permits nearly in perpetuity because they keep renewing them. What's more they can choose not to use the forage for up to 3 years, without paying for it, and without losing the privilege. During the mid-1980's the two land management agencies extended nonuse to 6 years.

Two faculty members from Colorado State University demonstrated a lot of subleasing was going on. If you want a real value for the permit, take a look at what you can sublease it for.

Take a look at what the record shows. The sublease average on U.S. Forest Service—and this was several years ago—was $7.06. That means permittees paid $1.39 per AUM back then, and subleased the permit for $7.06 per AUM. That is a great profit. And BL subleases went for $7.75 per AUM.

That seems to me evidence of the fact these permits are valuable. The argument that raising grazing fees to $2–$4 per AUM would put farmers out of business does not make any sense at all, given the sublease rates.

Second, another critical thing to consider is what other Federal agencies

and State and local governments charge—on average—for leasing. The average of the local government what the State governments, and what other Federal agencies charge—$6.44 per AUM—is well above what we are offering as a compromise here on this amendment.

Also keep in mind that 7 percent of the producers in the 16 States affected by my amendment have the Federal permits we are concerned with here. They represent only 2 percent of the producers in this Nation. Is this equitable?

We have a letter from the Independent Cattlemen's Association of Texas. They really are in direct competition with Federal permittees and they are adamantly in favor of this amendment. They say it will provide some equity to the situation right now.

I think what I want to do right now is make some proposals, some compromises here. In this debate, for instance, the opponents have relied very heavily on references from Dr. Frederick Obermiller. Professor Obermiller, if you read the op-ed piece in the Washington Times today, is referred to as the industry's eminent expert. In the debate in the House or the Synar and Regula amendments, he was the one they referred to. He recommends changes. I am willing to accept what he recommends with one additional modification. I will make that and then I will distribute copies of a document of his entitled "Elements of Grand Compromise," dated September 4, 1991. In it, he recommends a formula we use in our amendment, in the sense of a base value modified solely by changes in the Forage Valve Index. The only difference is he starts with $2.49 as the 1992 fee, whereas we start at $2.63.

Right now, we are talking about a few cents difference for that first year. If what was said yesterday—these ranchers are going to go out of business if we go to $2.63—why would a key person for the industry say that $2.49 is all right?

So I say that I would accept a compromise, would consist of paragraphs 5, 6, and 11 of Dr. Obermiller's proposal. If the Senator from Wyoming will accept that, I will modify my amendment.

In addition to that, another thing I want to get into is where do the fees go. The big discussion that it is sucked out of farmers and thrown in the Federal Treasury somehow disappears in that abysss. No; 50 percent of them go back into improving the grazing lands.

So any increase gives more money back to improve those lands.

Second, a large portion from the additional 50 percent, around 12 percent, goes back to the schools and the roads in the area.

It is not like you are increasing these fees and something horrible is going to happen. It all goes back in the area of the permittee. The problem is, though, and this is my second requested change, the residual amount that goes to the Government does not pay the costs of administering the program.

I would agree to change my amendment so that the initial revenues cover the cost of managing the program, and accept Obermiller's compromise. I will modify my amendment so that there is no Federal subsidy, and then we will take the recommendation of Dr. Obermiller, who is trying to tell us what must be done in order to ensure that cattlemen do not go out of business.

I make that offer—I do not see anybody jumping up at this point—but I will certainly distribute it widely and will leave it open until we get to the conclusion of the debate. I feel bad that anyone would believe we are trying to put ranchers and farmers out of business.

I met with members of the BLM and Forest Service who are the agencies who deal on a day-to-day basis with the permittes. They know what is going on here. I asked them at least twice—would my amendment reduce grazing in this country? The answer was no. It is not going to reduce grazing at all. The same amount of AUM's, would be sold. There would still be an equal number leased. Ranchers would not be put out of business.

Now I am even making an offer to cut this in half. We are half of the House amendment now, and offer to go half of that so they can go to conference.

I want to say we have the facts on our side. There is a lot of discussion about things I personally cannot understand or figure out. But the fact of the matter is if you go back to the subleases, and the figures of what the States and local governments are charging, these indicate that there is plenty of room for change. I remind you again that the bulk of the revenues is going back to improving the grazing lands, improving the schools, improving the roads.

We have a modest amendment. This is the first in many years this issue ever made it to the Senate floor. It started, of course, when the Grace Commission came out and said, "Hey, this is a wasteful mess here. What are you doing about it?" The House acted on it twice. This is the first time we have tried to act on it.

I hope my colleagues would keep in mind that if we are ever going to get this deficit problem under control, if we are ever going to have the feeling of equity across the country, we have to get rid of subsidies like this. Oh, they may seem very important, but if you look at the fact, the economic facts, there is no question that this is an unfair burden on the taxpayers. This is a reasonable remedy which will not hurt significantly any ranchers.

Keep in mind we are only talking about 2 percent of the producers, 7 percent of the producers in the States affected. That is a small percentage, 2.8 percent, of the total cost of raising that cow for market.

So, I urge my colleagues to seriously look at the facts. Consider how far we have come and how much we have tried to accommodate and vote for this amendment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Wyoming.

Mr. WALLOP. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 5 minutes.

Mr. WALLOP. Mr. President, it is difficult for this Senator to contain both the rage and frustration I feel at listening to a comment and statement that has just been made. The only thing that I agree with that was said by the Senator from Vermont in his statement is that personally he cannot understand what the issue is. Because that is exactly true.

I will not accept his proffered compromise for the simple reason that the compromise and the whole thing is not to be done on the floor but in the committee system of the Senate as set up and through which it operates.

To try somehow or another to make sense out of this when he has not been to the West, does not understand the issue, and demonstrated this clearly on the floor last night, is absolutely absurd.

The question is, he says, that amendment he offers is not as bad as the one from the House. I agree. But it is a question of whether you would rather be shot by a .45 or a police .38; either way you are dead or mortally wounded. That is not the point. The subleases argument is absolutely ridiculous because on its face it does not understand that the permittee, the lessee, is the one who is obliged to pick up the cost of that lease, which is the operating and maintenance cost. The sublessee does not have to do that.

Mr. President, I am a rancher. I like to think that is a more honorable profession than the one I occupy here right at this moment in time. I used to run on the public lands. As I said last night, I do not anymore. And guess why I do not. Because it is not a bargain. It is not a good deal.

I have a lot of things I would like to put in the RECORD. I will just ask unanimous consent that a series of them be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. WALLOP. Mr. President, I heard my colleague from Vermont speak on his amendment yesterday; he made several points that I would like to take issue with.

Senator JEFFORDS said the PRIA fee inequitably subsidizes permittees. In fact, PRIA defines the fee as equitable because it keeps total private and public grazing costs per AUM equal as several recent grazing cost surveys have substantiated.

He said that the PRIA fee imposes a tax burden on American taxpayers. In fact, the PRIA fee receipts have covered reported costs of the grazing portion of the Forest Service and Bureau of Land Management range programs.

He said the PRIA fee represents 40 percent of fair market value according to the 1986 USDA/DOI report. In fact, the 1986 report gave appraisal values on private lands and nowhere defined them as fair market value.

He relied on the 2 percent of livestock industry being permittees argument to discount the size of the western livestock industry. In fact, 40 percent—30,000—of the Nation's 75,000 commercial—over 100 cows—beef cow producers hold Federal grazing permits.

He cited large corporations such as Union Oil as permittees. In fact, the BLM and USFS lists of permittees do not list any such corporate permittees.

He repeatedly stated that the USFS and BLM say there will be no reduction in AUM use as fees increase. That is an assumption, not a fact, and the assumption is not accepted by the Policy Analysis Offices in USDA and DOI.

He said that a threefold increase in fees will have a negligible effect on permittee grazing costs and will drive no one out of business. That overlooks nonfee costs which are rising rapidly and constitute on average 85 percent of permittee grazing costs.

He said that the 1986 USDA/DOI report recommended higher and different grazing fees. The report contained no recommendations at all, and in the 1987 House Interior hearings the administration disavowed the use of the reported appraisal values as a basis for changing the PRIA formula. The administration repeated its disavowal in the 1989 and 1991 House hearings.

He said 50 percent of grazing fee receipts are used for range improvements. Such uses are authorized but have not been appropriated for several years.

He implied that cattlemen support a higher fee. In fact, all of the major national and State livestock producer organizations as well as local government organizations have recommended the continuation of the existing PRIA fee.

He said the 1983 appraisal study was conducted by 30 professional appraisers. In fact, most were not appraisers at all, but rather range conservationists detailed to the appraisal study.

He said the 1983 appraisal study looked at differences in the terms and conditions of private and public grazing leases. It did not. A 5-percent difference in associated costs was assumed and cannot be verified from any available data.

He said that subleasing at inflated rates is a major indicator of a fee below fair market value. In fact, the 1983 appraisal study showed that less than one-third of 1 percent of all public permits were subleased—and when subleasing occurs the permit is revoked.

He said State and other Federal grazing leases are more highly priced. They are, but they require no commensurability, and furthermore these other permittees are compensated for the value of the range improvements they make.

Let me read just one to the Senator so he does not get lost in his own level of judgment on this thing. From Director Cy Jamison of the Bureau of Land Management, dated September 16. That is not very long ago, I suggest to my friend from Vermont. He says:

DEAR MALCOLM: I would like to clarify that the Bureau of Land Management (BLM) emphatically disagrees with the statement that an increased grazing fee would not affect small family ranchers. Ninety percent of BLM permittees have family-sized operations of 500 head of livestock or fewer. In calculating the effect of the Synar Amendment, the BLM projected that 99 percent of the public rangeland would be priced out of the market at $8.70 per animal unit month (AUM). Between $4.35 and $5.80, we estimated a decrease in use of at least 3.6 million AUMs.

There are unused animal unit months in existence today. If they were such a great deal, those would be used. The fact is that the people offering this amendment do not have the foggiest notion.

Mr. President, let me say for the Senate, and for the public who may be watching, every other section, every other 640 acres, is private. Every other 640 acres is public.

If, somehow or another, these people are forced to say that these are no longer economic for them, the Government either takes their private property or it is involved in fencing it itself, the result would be economically catastrophic either to the industry or to the government, and with catastrophic consequences to the environment.

Just take a look at what it would take to fence every other section. Here is a section from the Bureau of Land Management, with not very good representation of a mule there. It could just as well be an elk. It could just as well be an antelope. But these require migration.

Let me just take a look at migration for a minute, if you will.

This is a map that is produced for us by the Wyoming Fish and Game Department which vehemently opposes this because of the environmental effects. These are the habitat migrations of the wildlife onto the private lands up here, to critical winter habitats, all over the State of Wyoming. Wildlife rely on the ability to move from public to private lands. If you make these lands absolutely irretrievably uneconomic, somebody has to fence them off. The Government would either have to say to the American people who lease them now that we are going to take away your private property rights or the Government would have to tell the American taxpayer that we are going to charge you $97 million just to fence one of the largest BLM grazing districts in America. Because our private sector cost is between 80 cents and $1.40 a foot, fencing just one district could cost at least 97 million bucks if the private sector does it. Guess what it would cost the Forest Service to fence it? It would cost the Forest Service about $10,000 a mile. Government is not an efficient fencer.

These people who offer this amendment—I yield myself 1 more minute—have not any idea of the economic costs, of the environmental costs, and costs relating to the credibility of the Government of the United States.

The reason I stopped leasing on the public lands, I say to my friends from Vermont and Ohio, is because you cannot trust the Government to say the same thing even during one grazing season. I lease on private land because I can go to a man and make a deal with him. He will look after the cattle. He will look after the fencing. He will look after the water. I go to see if he is doing it; I review his operation. The Government does none of those things.

One of the things I entered in the RECORD was the statement that, in fact, the Government of the United States assesses the value of these leases in an estate settlement. They tax the people who own them. And now they tell them they cannot capitalize them.

These costs are absurd. They are created by people who have not the foggiest notion of what it is like to try to earn a living as a small man in America. Neither of these folks who offer this amendment say to the 31,000 ranchers that they make a difference at all in America.

And the greatest arrogance of all is those people saying how dare we subsidize grazing when, one, they cannot prove it and, two, they come from States that take substantially greater agricultural subsidy than do ours. For a dairy State to be talking about subsidies is just on its face preposterous.

I do not like to see two segments of the agriculture community get into fights with each other. But that is what has been offered here. It is not fair. It is going to cost the Government in money. And it is going to cost the Government in credibility. And it is going to cost the Government in environment.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from Vermont.

EXHIBIT 1

GRAZING STATEMENT

From the top of the mountains above my ranch in Big Horn, Wyoming, I can see the mixed ownership of lands that typify a public lands State. At the highest point of the mountains the Forest Service controls the forests and grasslands that stretch down into the valleys bumping against private meadows owned by ranchers and other residents of Sheridan County. Far onto the plains, BLM Lands intermingle with deeded property, and Wyoming State sections lay in the midst of both Federal and private lands. The mountains and rolling grasslands go on forever and it would seem as though they are a never ending piece of country. But, quite the opposite is true. The land is divided by an invisible counterpane with multiple ownerships and interests throughout.

Big Horn is a rural community in one of the eleven public lands States, and similar to hundreds of communities all over the West, has a working partnership, often more troubled than cordial, with the Federal and State agencies. Cooperation, consultation, and coordination have been key in the maintenance of multiple-use on these varied lands. And while the West has always struggled economically, there have been the opportunities to earn a respectable living for one's self and one's family. The value of life there, if measured in dollars, is much less than many of our friends in other parts of the Nation enjoy, but the value of life, if measured in terms of quality, and heritage, and lifestyle is critical to the West's well-being and critical to America's future.

Settling the West was disappointing in terms of productivity of the land. East of the 98th meridian, the rain-blessed, fertile crop lands provided a living on very few acres. In the arid West, however, thousands of acres were needed to support the livestock shipped to the East and to the miners in California. Pioneers had to work together and found survival possible only through multiple use of the arid lands. The same remains true today.

The Jefford's amendment threatens to economically cripple an industry and destroy a way of life. The ripple effect from what will happen in the West will also be felt across the Nation—in Georgia, Washington, DC and even in Vermont.

This measure and similar measures passed by the House have been initiated by members who do not understand the West and how the land works. They do not understand the private-public partnership, born from necessity to economically survive. And the real pity is, these measures put people in conflict with each other who don't have any reason to be in conflict.

This amendment will not generate revenues for the Federal Government as purported. Rather, it will cost the Federal Government—the taxpayer—millions and millions of dollars.

Wyoming land patterns

Private:

State lands: lands owned by the State.

Section 15 public lands: BLM controlled. Essentially isolated, small tracts—not part of a grazing district but intermingled in ranches throughout the State.

Section 3 public lands: BLM controlled. Lands in larger tracts within grazing districts as opposed to isolated tracts.

The Rock Springs Grazing District is one of the largest grazing districts in the West and is a literal checkerboard of public, private and State lands.

In the checkerboard area, each section is 640 acres. There are no fences and few markers of any kind to distinguish where one section begins and another ends.

Forest Service Grazing Lands: Combination of timbered lands and large open pastures.

Wildlife and livestock share the high lands in the summer and travel to winter range located primarily on private lands in lower elevations.

Livestock producers have formed a partnership over the years with Federal and State agencies to put these intermingled lands to their highest and best use.

Mr. President, if there is an increase in the grazing fee, most ranchers will be unable to afford the hike. Some of my colleagues will talk of what happens to a community and to a State when base economics are destroyed. I will discuss just the shear madness and expense of trying to pull livestock from the public ranges.

These intermingled lands are codependent. The PH Ranch owned by the Hansen family in Rawlins, Wyoming is a prime example. The ranch is in the heart of the checkerboard area. In the same family since 1899, the Hansens have built new water systems; upgraded existing water systems; initiated management fencing; and, improved the conditions of the range for all who use them. Wildlife has increased proportionately with improvements. The public now utilizes private lands on this ranch for recreation and for hunting, and the PH exemplifies the public lands States' tradition of public-private partnership.

Take a look at the issues of access, water and wildlife habitat—both now addressed by a cooperative effort. What will happen if the intermingled lands must be separated?

To begin with no single section is of and by itself a complete habitat with shelter, forage, and water. No single section therefore, is leasable without other sections to provide the missing link.

Water is the lifeblood of the West. Without it there are no crops, no livestock production, no wildlife. Most of the water is on private lands.

On this map of the Hansen Ranch, private water systems are in blue and those cooperatively built with the Federal Government are in black. Should the land have to be separated, the wildlife and the public would no longer have access to this resource because the ranch would need to use all of the private water and forage to maintain its livestock.

Without water, the public land has very little value—these will become isolated tracts of lands—fenced both from wildlife and from domestic stock.

ACCESS

Ranchers allow many public activities voluntarily on private lands as a part of the partnership established between public and private over the years. In legal terms, however, the public may only cross private lands to access public lands when a public road or right-of-way exists across the private lands. In the typical absence of such right-of-ways, the public has no prerogative to cross private lands without first obtaining permission from the landowner. The landowner is under no obligation to grant such permission. Corner crossings in the checkerboard area are not considered legal public access.

The high mountain lands controlled by the Forest Service provide summer livestock and wildlife grazing. In the fall both come down from the mountains to winter chiefly on private lands.

Most of the lands in the USFS System in the Western States are high elevation areas—mostly forested with fingers of open mountain parks and meadows.

Wildlife such as elk and deer use the national forests as habitat during the spring and summer seasons. When the heavy snows come to the high mountain country, the wildlife move down into the mostly private lands to winter. There—some forage is available from the edges of hay fields and near willows and streams but primarily wildlife thrive on the hay from livestock feeding grounds—supplied by ranchers at no cost to taxpayers. In fact, it is not unusual for ranchers to provide considerably more than half of the forage for elk, deer and antelope.

This caring for wildlife is also part of the historical public-private partnership.

As this chart demonstrates, wildlife numbers have increased steadily over the years dramatically contradicting arguments claiming livestock is destroying the range.

The first problem if the grazing fee is increased: Howe do you separate the public lands from the private lands?

This is a map of the Rock Springs Grazing District. 330 ranchers depend upon this district for livestock grazing. It supports over 163,000 cows; 103,000 sheep; and, approximately 5,000 wild horses.

WILDLIFE INCREASES ON PUBLIC LANDS

	1960	1988	Percent increase
Antelope	139,309	295,690	112
Bighorn	4,588	19,956	435
Deer	1,113,097	1,449,308	30
Elk	18,278	142,870	782
Moose	736	3,505	476

* Public Lands Statistic,(1960,Volume 145, 1988, Volume 173).

If the producers on the Rock Springs Grazing District decide to run only on their private lands because they can't afford a fee increase—how does the rancher, or the Federal range con know where private begins and public ends? By surveying of course.

On the Rock Spring Grazing District alone, it would take a two-man survey team thirty seven years to survey and mark the land. Or, seventy-four crews could accomplish the task in one year at a cost of over $9 million at today's prices!

Because it is against the law to graze livestock on public land wihtout a paid permit, each section would have to be fenced. It is estimated that 13,222 miles of fence would have to be built to separate the district's lands alone. At local fencing contract prices, to keep livestock off public lands in the Rock Springs Grazing District, the cost would run between $56 and $98 million.

A Wyoming rancher closer to my home of Sheridan, has the scattered, small 40-acre section 15 lands on his ranch. Were the Federal Government to construct fences to divide the properties, the cost would be around $230,000!

Who pays for the fences? Who pays for the maintenance? Who pays for the removal of old fences?

All valid questions with no clear answers. Fencing laws vary from State to State. Some States are "Fence in" States, others are "fence out" States. It is assured millions of dollars would be expended by the Federal Government either in fencing costs or in the courts to find the answers to these questions.

We talk about public cost versus private cost of grazing. The private lands are "value-added". Because the private lands were the

first settled they have better forage and water. Producers keep daily watch over the livestock and veterinarians are close at hand—their services paid for by the owner of the private lands. Calving and lambing sheds, shipping facilities, barns and equipment, water, salt and other management items are supplied on the private lands. Often a residence is provided and schools are nearby. Public lands do not offer these and other amenities.

In a free market society, people pay for what they get. Private lessors provide more services than does the Federal Government. Private grazing fees do—and should—cost more than Federal leases.

In summary:

Grazing fees are not a subsidy. The fee formula enacted by Congress in 1978 was designed to keep the total costs of grazing on Federal lands, including improvements which ranchers must pay for, equal to the total costs on private lands. There is no subsidy. "Low" grazing fees do not, and indeed, cannot result in overgrazing. The Forest Service and BLM decide how many animals the range can carry, based on the conditions of the land. Were the fee one dollar—there would be neither more nor less cattle allowed.

Without public land grazing, nearly all of the 2.8 million sheep and 7.5 million cattle that utilize these lands would be eliminated. This is 47% of the beef cattle and stock sheep that graze in the 11 western public lands States. In Wyoming, 64% of the beef cattle and 95% of the sheep in the State graze at least part of the year on public lands.

In the eleven public lands States, ranchers have developed a partnership with the Federal Government. Public as well as private resources have been made available to the rest of the country through a cooperative effort to protect both the land and its riches. Sharing the ownership of the land is not easy and without question—moves to destroy the West's economy will upset the delicate balance which now exists between the Federal Government and the private landowner.

Raising the grazing fee is not a legitimate, practical, or responsible way for this Congress to try to raise revenues. This amendment will cost the Federal Treasury millions of dollars. It will be a third of a century before the Government ever generates income from this raise—assuming that anyone ever cares to do business with the Government of the United States again!!

More importantly, we risk the destruction of a heritage, a way of life—a vital, contributing economic sector in our Nation. Mr. President, the Senate must defeat this amendment.

WYOMING WOOL GROWERS ASSOCIATION,
Casper, WY, September 9, 1991.

Senator MALCOLM WALLOP,
U.S. Senate, Washington, DC.

DEAR MALCOLM: I would like to brief you on the federal land pattern on Palm Livestock Company lands. Enclosed please find a map showing the land pattern of the different ranches and allotments controlled by Palm Livestock Company. Also enclosed is a set of tables showing the land ownership and AUM'S as well as a table showing the number of acres by land ownership necessary to provide an AUM. The dollar figures you see on the map are taken from an appraisal done in 1988.

A majority of the federal land controlled by Palm Livestock is checkerboard land with every other section being private. It is mostly sagebrush country primarily used for wintering sheep. The large block of federal land at the top of the map is on the Shirley Mountains and is used for summer pasture. Six of the sections on the Home Ranch are located on Elk Mountain and are heavily timbered. Because of the timber and the ruggedness of the terrain there is very little grazing on these sections.

With the checkerboard land pattern and small isolated parcels it is difficult to determine the exact miles of fencing needed to fence out the federal land. My best estimate is that there are 660.25 miles of fence necessary to exclude all federal lands. At an average cost of $1.20 per foot this would cost $4,183,344.00. The resulting fence pattern would make wise use of this land impractical for wildlife as well as livestock.

Palm Livestock Company is a privately owned family corporation. In 1988 when the appraisal was done on the ranch it consisted of nineteen shareholders. Eleven of these shareholders and their families are trying to earn a living on the ranch. Since that time because of financial problems and inter-family complications we have been selling selected assets and trying to split the remainder among the different shareholders.

As you can see from the enclosed map fencing out the federal range would have a devastating effect on Palm Livestock Company's operation. I hope this will help with your efforts.

Sincerely,

BRAD PALM,
President Elect.

PALM LIVESTOCK CO.

The following is a brief history of Palm Livestock Company and the probable effects a grazing fee increase would have on it.

Palm Livestock Company is a privately owned family corporation in Southern Wyoming. At its peak (both in land holdings and shareholders) in 1986 Palm Livestock Company had nineteen shareholders. Along with these shareholders the spouses and children bring the total number of family members involved with Palm Livestock Company to forty-one. Of these forty-one family members thirty-six were actively involved in the operation of the ranch. At that same time Palm Livestock Company consisted of five ranches around Elk Mountain and Hanna, a wheat farm near Albin, and a cattle feedlot near Torrington.

At its peak Palm Livestock Company consisted of five ranches—Basin, UL, Home, North, and Chace. The Basin Ranch is at the south end of the Company's holdings. It is bordered on the south by the Snowy Range of the Medicine Bow National Forest and on the north by the UL. Being predominantly private land, it is the most productive of the five. The UL is bordered by the Home Ranch on the north, Elk Mountain on the west, and is also mostly private land. The Home Ranch consists of the main ranch with elk Mountain as its back yard. Elk Mountain is an eleven thousand foot mountain that is mostly private land. it is home to numerous elk, mule deer, and various other wildlife. The Home Ranch also has the Quealey Block which is checkerboard land and has an 805 AUM sheep allotment on Snowy Range. It is bordered on the north by the Dana South Block which is part of the North Ranch. The Dana North Block is also part of the North Ranch. The Dana North and Dana South have an 816 and 817 AUM sheep permit respectively and are also located on Snowy Range. The North Ranch is mostly checkerboard land with a fair size parcel of federal land on the Shirley Mountains. The Chace Ranch is mostly private and has the Dana North and South as its western border. It has an 825 AUM sheep permit on Snowy Range and is mostly sagebrush country. This is the least productive of the five ranches.

Since 1986 because of financial difficulties and disagreements among shareholders, Palm Livestock Company has been selling selected assets and trying to divide the remainder. An isolated parcel of the Chace Ranch was the first asset sold. In 1990 the feedlot in Torrington was sold. In that same year the UL Ranch and Albin farm were split off satisfying approximately twenty-five percent of the shareholders. The remainder of the Chace Ranch is currently for sale. By January of 1992 it should be sold and the remaining assets of Palm Livestock Company divided.

Palm Livestock Company was formed and bought its first property near Elk Mountain in 1949. It was formed by Edwin Palm and his children when they out grew the family farm at Albin. Upon Edwin's death in 1964 and the death of his wife in 1972 control of Palm Livestock Company passed to their four surviving children. At that point each survivor had about twenty-five percent ownership in the company. Of these four three were involved in the ranch. Since that time the third generation has grown up and been given some ownership in the ranch. When the final split of Palm Livestock Company happens by January 1992, it will be split four ways among the families of the second generation. It will be divided as follows: the UL Ranch and Albin farm have already been split to one family, the Home Ranch and Quealey Block will be Palm Livestock Company's ranch, the Basin Ranch will be the third family ranch, and the North Ranch and Dana Blocks (North and South) will be the fourth ranch. The Chace Ranch will be sold to reduce debt.

Palm Livestock Company is currently carrying long term debt at $448.00 per animal unit (12 AUMs). This is based on all animal units owned or leased. As you can see from the enclosed set of tables the Basin and UL ranches would not be significantly hurt by a grazing fee increase. The North and Home ranches with their large sections of checkerboard land would, however. If these ranches are priced off the federal range the result would be to decrease the carrying capacity of these ranches by 16,332 AUMs. Not only would this decrease the carrying capacity but it would increase debt service to $646.00 per animal unit on these two ranches.

If Palm Livestock Company is priced off of the federal lands the only way to keep livestock off would be to fence out the federal lands. The following is a breakdown of how many miles of fence it would take on each ranch unit and how much it would cost at an average of $1.20 per foot: Basin, 36.25 miles for a total cost of $229,680.00; Home and Quealey, 209.75 miles at a cost of $1,328,976.00; North and Dana (North and South), 317.75 miles at a cost of $2,013,264.00; Chace, 76.5 miles at a cost of $484,704.00. This is a total of 660.25 miles of fence at a total cost of $4,183,344.00. Because most of this land is checkerboard with every other section being private land, the resulting fence pattern would make use of both the private and federal land impractical. It would also be extremely detrimental to the wildlife that inhabit these lands.

When a stranger picks up the paper and sees a list of the largest federal permittees in the country he begins to visualize large land barons. This is seldom the case. Palm

Livestock Company is typical of many large ranches. It grew as the number of family members trying to earn a living from it grew. Eventually the family grows faster than the ranch can afford to expand. This has happened to Palm Livestock Company. Because Palm Livestock Company is a family corporation even those members not living on the ranch have some ownership in it. As the families on and off the ranch have grown so have the disagreements and jealousies until the only alternatives are to sell or split up. With the fourth generation beginning to enter college and twenty-five percent of the ranch going to family not currently involved in the ranch any grazing fee increase will probably put Palm Livestock Company out of business.

The following tables were derived from an appraisal done in 1988 on Palm Livestock Company lands.

Table 1 shows land ownership on each ranch or allotment.

Table 2 shows the number of AUM's on each ranch or allotment.

Table 3 shows the number of acres needed for each AUM by ownership on each ranch or allotment.

TABLE 1—LAND OWNERSHIP BY ENTITY EXPRESSED IN ACRES

Ranch	Private	State	UPRR	BLM	Totals
Basin	11,940	2,220	0	760	14,920
UL	7,840	640	0	640	9,120
Home	21,130	3,360	0	7,152	31,642
North	13,828	2,560	1,200	18,308	35,896
Quealey Block	25,858	1,280	1,920	26,748	55,806
Dana North	27,630	1,360	13,792	29,780	72,562
Dana South	16,280	1,280	2,680	13,864	34,104
Chace	42,680	6,186	1	14,996	63,863
Totals	167,186	18,886	19,593	112,248	317,913

TABLE 2—AUM'S BY ENTITY

	Private	State	UPRR	BLM	Forest	Totals
Basin	26,502	587	0	127	80	27,296
UL	11,255	361	0	132	0	11,748
Home	17,390	721	0	585	0	18,696
North	4,246	238	204	3,112	0	7,800
Quealey Block	4,595	192	238	3,339	805	9,169
Dana North	4,755	225	2,234	4,810	816	12,840
Dana South	3,154	281	397	2,048	817	6,697
Chace	8,570	815	0	1,787	825	11,997
Totals	80,467	3,420	3,073	15,940	3,343	106,243

TABLE 3—AVERAGE ACRES PER AUM

	Private	State	UPRR	BLM	Average
Basin	0.45	3.78	...	5.98	3.41
UL	0.70	1.77	...	4.85	2.44
Home	1.22	4.66	...	12.23	6.03
North	3.26	10.76	5.88	5.88	6.44
Quealey Block	5.63	6.67	8.07	8.01	7.09
Dana North	5.81	6.04	6.17	6.19	6.06
Dana South	5.16	4.56	6.75	6.77	5.81
Chace	4.98	7.59	...	8.39	6.99
Average	3.40	5.73	6.72	7.29	5.53

DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Washington, DC, September 16, 1991.

Hon. MALCOLM WALLOP,
U.S. Senate,
Washington, DC.

DEAR SENATOR WALLOP: I would like to clarify that the Bureau of Land Management (BLM) emphatically disagrees with the statement that an increased grazing fee would not affect small family ranchers. Ninety percent of BLM permittees have family-sized operations of 500 head of livestock or fewer. In calculating the effect of the Synar Amendment, the BLM projected that 99 percent of the public rangeland would be priced out of the market at $8.70 per animal unit month (AUM). Between $4.35 and $5.80, we estimated a decrease in use of at least 3.6 million AUMs. The Jeffords amendment, which would increase the current fee to $5.09, would surely cause a loss in AUMs and revenue, and would have a serious impact on the profitability and survivability of many small ranchers.

Sincerely,

CY JAMISON,
Director.

COMPARISON OF OPERATING COSTS PER AUM ON PUBLIC LAND RANCH VERSUS PRIVATE LAND RANCH UNITS

This table, following the Federal Standards established in the 1966 Fee Study, updates the 1966 results to 1990 values:

TOTAL GRAZING COSTS ON OPERATIONS USING FEDERAL GRAZING PERMITS AND PRIVATE LEASES

Operation	Federal grazing permits	Private leases
Lost animals	$1.82	$1.12
Association fees	.27	0
Veterinary	.45	.53
Moving livestock to and from	1.11	1.16
Herding within operation	1.86	.77
Salt and feed	2.32	3.09
Travel to and from operation	1.49	1.19
Water (production items)	.27	.20
Horse	.50	.31
Fence maintenance	.89	.92
Water maintenance	.69	.55
Development depreciation	.37	.10
Other	.44	.47
Totals	12.48	10.41
Federal grazing fee (1990)	1.81	...
Private forage value (includes lessor's overhead and risk) (1990)	...	4.35
Total operating costs P/AUM	14.29	14.79
Capitalized cost of grazing permit	3.25	...
Total costs	17.54	14.79

Note.—Internal Revenue Service valuation of grazing permit at $850 per animal unit month; Montana, 1980. Capitalized cost is calculated using 8% as the long term rate of return as in the 1966 fee study. (650/12×8%=3,25). Actual out of pocket cost equals ranch unit purchase price divided by 12 months, and multiplied by the long term cost of money. i.e. ($1,000/12=$83.33×10%=$8.33 per AUM; Dr. Fowler, N.M.S.U.)

Source: Dr. Darwin Nielsen, Utah State University.

DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Sheridan, WY, September 4, 1991.

Reply to: 2240/2210.

CHAS KANE,
1026 Soldier Cr. Rd.,
Wolf, WY.

DEAR PERMITTEE: I appreciate all of the work you have put into maintaining your range allotment improvements over the years. In the past the Forest Service has supplied some of the materials for maintenance, but due to the tightening of our budget this practice may have to be curtailed. We may be able to provide some supplies, but each need will have to be evaluated individually. Of course, we will still provide materials for any new improvement. I realize this may be an impact on you, but our funding cannot handle all of these expenses. Please come in and talk to Tut Anderson or me if you have any questions.

Sincerely,

CRAIG L. YANCEY,
District Ranger.

DEPARTMENT OF AGRICULTURE,
FOREST SERVICE
Washington, DC, September 16, 1991.

Hon. MALCOLM WALLOP,
U.S. Senate,
Washington, DC.

DEAR SENATOR WALLOP: This analysis is valid only under the assumption that grazing permits are easily transferred to new permit-

tees without regard to base property requirements.

Sincerely,

F. DALE ROBERTSON,
Chief.

DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, DC, August 29, 1991.

Reply To: 2200.

Hon. JAMES M. JEFFORDS,
U.S. Senate,
Washington, DC.

DEAR SENATOR JEFFORDS: Thank you for your August 1, 1991, letter requesting the Forest Service's estimate of the impact of your draft amendent on animal unit months (AUMs) sold for the forseeable future. You also requested technical comments on the drafting of the amendment.

The proposed two-tiered fee would be difficult for the Forest Service to administer under the current billing system. We have no way of currently tracking an individual permittee's combined-use level on all allotments, some of which may be on other National Forests or within the jurisdiction of other agencies. About 15 percent of public rangeland permittees graze their livestock on both Forest Service and Bureau of Land Management allotments. Additionally, a number of our permits are held by grazing associations with many individual members.

Our billng system would need to be modified to meet the intent of the draft amendment. This modification would take approximately 1 year.

The minimum of 2,000 AUMs would impact some small family ranchers. For example, a 6-month grazing season would reduce the affected herd size to 333 animal units. However, a permittee who grazed only 1 month on a National Forest could have a herd size of 2,000 animal units and not be affected. This minimum should be addressed in the context of the complete ranching family operation.

Finally, we recommend some technical changes to the proposed amendment. In section 6(a)(1)(A) of the Public Rangelands Improvement Act of 1978 insert "in the 16 western States" following "grazing fees for the public rangelands". In section 6(a)(1)(B), insert "Forest Service and Bureau of Land Management" following "for the first 2,000 animal unit months of combined".

Our technical comments on your draft amendment should not be construed as altering the Administration's position that the current grazing fee formula should not be changed.

If you need further assistance, please call Robert Williamson, Director of Range Management, at 205–1460.

F. DALE ROBERTSON,
Chief.

ESTIMATED EFFECTS OF JEFFORDS GRAZING FEE AMENDMENT

Year	Calculated fee	33.3-percent limited fee	Large permittees			Smaller permittees		
			AUMs-Sold		Estimated revenue	AUMs sold	Estimated revenue	Estimated total revenue
			Low fee	High fee				
1992	$4.94	$2.63	2,264,558	303,450	$7,454,830.54	4,080,421	$10,731,507.23	$18,186,337.77
1993	4.99	3.49	2,264,558	303,450	9,417,522.92	4,080,421	14,240,669.29	23,658,192.21
1994	5.04	4.65	2,264,558	303,450	12,059,582.70	4,080,421	18,973,957.65	31,033,540.35
1995	5.09	5.09	2,264,558	303,450	13,071,160.72	4,080,421	20,769,342.89	33,840,503.61

Assumptions.—For estimating purposes, we have not considered any BLM grazing in estimating the 2,000 AUMs. 48 percent of AUMs are used by 19 percent of permittees with herds of more than 500 head, these large permittees use an average of 2.175 AUMs per year. 2,000 AUMs would be purchased at the 33.3 percent limited fee and 175 would be purchased at the calculated fee. 52 percent of AUMs are used by 90 percent of permittees with herds of less than 500 head. We assumed they would pay the 33.3 percent limited fee for all of their AUMs.

Note.—Many Forest Service permittees spend Fall, Winter or Spring on BLM administered lands, therefore, these estimates are considered conservative. No reductions in AUMs sold are made at the fee of $5.09. However, we estimate that there would be a decrease of 1.218 AUMs if the fee rose from $4.35 to $5.80.

DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Washington, DC, August 15, 1991.

Hon. JAMES M. JEFFORDS,
U.S. Senate, Washington, DC.

DEAR SENATOR JEFFORDS: Thank you for your letter of August 1, 1991, requesting the Bureau of Land Management's (BLM) estimate of the impact of the grazing fee amendment which you may offer on the sale of animal unit months (AUM's).

The proposed two-tiered fee would be extremely difficult for the BLM to administer under the current billing system. Since our grazing bills are processed at the Resource Area level, we have no way of tracking an individual permittee's combined use level on all allotments, some of which may be in other Resource Areas, Districts, or States, or in the jurisdiction of other agencies. About 15 percent of public land permittees hold both BLM and Forest Service allotments. A number of our permits are held by cooperative grazing associations with many individual members, a further complication. It is also likely that many permittees would divide their preferences among family members or partners to qualify for the lower fee.

Even if we had the resources to develop an entirely new billing system, on an individual rather than a Resource Area basis, it might well take until 1995 to implement, and the effect would be lost.

Furthermore, the 2,000-AUM threshold, averaging 500 AUM's grazing 4 months a year, does not insulate all of the small family ranchers. In the Southwest, where use is yearlong, this would provide for only 167 animal units. In much of the West, where a 6- to 9-month grazing season is common, this limit would extend to lands of 333 to 222 animal units.

If we can provide you or your staff with further information on the grazing fee issue, please call.

Sincerely,

SUSAN RECCE LAMSON,
Director.

ESTIMATED EFFECTS OF JEFFORDS GRAZING FEE AMENDMENT

Year	Calculated Fee	33.3 percent limited fee	Large permittees			Smaller permittees		
			AUMs sold [1]		Estimated revenue	AUM's sold	Estimated revenue	Estimated total revenue
			Low fee	High fee				
1992	$4.94	$2.63	3,690,000	1,480,000	$17,015,900	5,830,000	$15,332,900	$32,348,800
1993	4.99	3.49	3,690,000	1,480,000	20,263,300	5,830,000	20,346,700	40,610,000
1994	5.04	4.65	3,690,000	1,480,000	24,617,700	5,830,000	27,109,500	51,727,200
1995	5.09	5.09	.....	.....	26,315,300	5,830,000	29,674,700	55,990,000

[1] Total $5,170,000.

Assumptions—For estimating purposes, 2,000 AUMs equals 500 head grazing 4 months on BLM range. 47% of AUMs are used by the 10% of permittees with herds of more than 500 head. These large permittees use an average of 2,822 AUMs per year. 2,000 AUMs would be purchased at the 33.3%-limited fee and 822 would be purchased at the calculated fee. 53% of AUMs are used by the 90% of permittees with herds of less than 500 head. We assumed that they would pay the 33.3%-limited fee for all of their AUMs (p. 4, 1986 Fee Study).

Note:—Even though BLM projects no reduction in AUMs sold at a fee of $5.09, it is likely there would be some decrease in use. Under the Symar fee proposal, BLM had estimated that there would be a decrease of 3.6 million AUMs if the fee rose from $4.35 to $5.80.

U.S. SENATE,
Washington, DC, August 1, 1991.

GEORGE MATEJKO,
Legislative Affairs, USDA Forest Service, Washington, DC.

DEAR GEORGE: Per our conversation, enclosed find a copy of one of the amendments I may offer regarding grazing fees. As we discussed, I would like the Forest Service's estimate of the impact of this amendment on AUMs sold for the foreseeable future.

In addition, any technical comments you may have on the drafting of the amendment would be appreciated. I am not seeking your support of the amendment, as I know that is a lengthy process. I am merely interested whether the language of the amendment comports with the intent I described, and does so in a workable fashion.

Again, I want to thank you and your colleagues for all the time you spent with me and my staff this afternoon. I appreciate your help very much.

Sincerely,

JAMES M. JEFFORDS.

WYOMING REALTORS
LAND INSTITUTE,
Buffalo, WY, August 6, 1991.

To: SENATOR WALLOP.

Re: Legislation pertaining to livestock grazing fee increases on public lands.

DEAR SENATOR WALLOP: The Wyoming Realtors Land Institute, comprised of 46 ranch real estate marketing companies, located throughout the State of Wyoming just recently met and passed a resolution stating their total opposition to any livestock grazing fee increases of any kind on public lands.

Members of the Wyoming RLI represent hundreds of Wyoming livestock producers who are in the process of selling their ranches that utilize public lands for grazing, as well as many other multiple-use purposes.

Because of the legislation that is now being considered by Congress to increase livestock grazing fees, there is a tremendous amount of uncertainty concerning the marketing and sales of Wyoming ranches that have BLM permits. Ranch buyers contemplating purchasing a ranch with BLM permits are drastically discounting the value of a ranch that holds BLM grazing permits. In effect, the marketplace is being impeded and ranches are not only being devalued but also are extremely difficult to sell.

This grazing fee legislation is an unprecedented frontal assault on multiple use policy and the local economies in the West.

If the proposed legislation passes, you will see hundreds of ranches in the Western United States go either bankrupt or under severe financial duress.

The Wyoming RLI urges you to defeat this legislation totally with no compromises.

Respectfully submitted.

JOHN D. PEARSON,
President, Wyoming Realtors Land Institute.

SOUTHWESTERN WYOMING RANCHES LOSE MOST VALUE IF FEES HIKED—STUDY: LESSER IMPACTS IN OTHER PARTS OF STATE

(By Katharine Collins)

ROCK SPRINGS.—Typical ranches in southwestern Wyoming stand to lose nearly $80,000 in value for every $1 hike in federal grazing fees, a new study shows.

The study completed earlier this year at the Agricultural and Food Policy Center (AFPC) at Texas A&M University analyzed the implications of a range of federal grazing fee hikes for ranch operations in Wyoming, Montana, New Mexico and Nevada.

It found that southwestern Wyoming ranchers stand to suffer the greatest losses in ranch value.

A proposal to more than double the amount the federal government charges for livestock grazing on public land by 1995 is expected to reach the U.S. Senate floor by Wednesday. Similar measures passed the House earlier this year.

Grazing fees are based on "animal unit months," or AUMs. One AUM is the amount of forage needed to sustain one cow and one calf, one horse, or five sheep for one month.

Texas A&M Agricultural Economics Professor James Richardson, who headed the study, said the information was requested last January by Rep. Joseph Skeen, R-N.M., a member of the House interior committee.

Richardson said the agricultural policy study center at Texas A&M is funded by special appropriation from the U.S. Congress. The study group analyzes proposed or existing agricultural policies for both House and Senate appropriations and agriculture committees.

Richardson conceded that the outlook for sheep ranches in southwestern Wyoming—typically heavily dependent on federal grazing lands—is "dire" if grazing fees are substantially increased. But he said he simply presents the date and makes no policy recommendations.

"If the fees are increased to $8 per AUM, that reduces the net cash annual income of southwestern Wyoming ranchers about 64 percent, and decreases their net worth by about 58 percent," Richardson said Monday. "Many of the ranchers will not be able to survive for 10 years."

Richardson said those figures apply only to ranches with low debt-to-asset ratios. "Ranchers who have more than 25 percent debt will not be able to remain in business for six years," he said.

Using a computer model and data on local ranching costs gathered directly from ranchers, the report projects the effects of increases in federal grazing fees on low-debt, moderate-debt and high-debt ranching operations in the four states. The study also distinguishes among ranches that are minimally, moderately or highly dependent upon leased federal grazing lands.

The computer model is applied to a mythical "representative" ranch in each region studied. The study describes the southwestern Wyoming typical operation, really an amalgam of several ranches.

"The Southwestern Wyoming (typical) ranch runs 5,000 ewes and 350 cows in Lincoln, Uinta, Sweetwater and Carbon Counties," the report reads. "It owns 4,400 acres and leases 215,180 acres of federal land from the (Bureau of Land Management) BLM and Forest Service. Of the other 98,023 lease acres, 47,742 acres are leased from a grazing association, 34,537 are leased from the Union Pacific Railroad, 5,079 acres are privately leased, and 10,665 are state lease lands.

"Federal leases account for 1,025 AUs (60 percent) of the 1,693 AUs required by the ranch. This ranch grows 210 acres of alfalfa, 250 acres of grass hay, and 70 acres of oats to provide supplemental feed."

According to the report, if the grazing fees are simply doubled from their current level of $1.97 per AUM, the net worth of the typical low-debt ranch falls by 20.5 percent, or $167,950.

The moderately indebted ranch is reduced in value by half, or $186,000, it showed.

Such an increase would "totally bankrupt" a high-debt ranch, Richardson said, explaining why the result does not even appear in the chart on southwestern Wyoming.

The study also pinpoints two types of sheep operations in the Buffalo area—shed lambing outfits and range lambing outfits.

The study concludes that "shed lambing" ranches, which rely very little on leased federal grazing lands.

As a result, those ranches will not see a significant drop in their net worth—only a 5 percent drop for high-debt ranches even if the AUM shoots up to $8.

The impact of each $1 increase in the grazing fees on the net worth of the shed lambing ranches is $2,000, the study says.

Range lambing operations in northeastern Wyoming are analyzed in two groups—those with little dependence on federal grazing leases and those that are 75 percent dependent.

For those with little dependence on federal grazing leases, a doubling of the current AUM cost to $4 would have a negligible effect—less than 1 percent—on the net worth of the typical ranch, regardless of debt level. Each $1 increase in the AUM decreases the net worth of such ranches by $2,000, the study says.

But northeastern Wyoming range lambing outfits would suffer losses of from 9 percent to 12 percent—depending on the level of debt—with an increase in grazing fees to $4 per AUM, the data show. Income losses for those same ranches would be about $15,000 annually. Each one dollar increase in the AUM decreases the net value of these ranches by $25,000, according to the study.

For the other states analyzed, the impact of each $1 per AUM increase in grazing fees is a $6,700 reduction of net worth for a southeastern Wyoming ranch, a $47,000 reduction in northwest Nevada and a $52,400 reduction in the value of a southeastern New Mexico ranch, according to the study.

BANKERS: GRAZING FEE HIKES COULD HURT EVERY STATE BANK

(By Katharine Collins)

ROCK SPRINGS.—Wyoming bankers say a proposed hike in federal grazing fees will have some adverse affect on nearly every bank in the state.

Dick Van Pelt, executive vice-president of the American National Bank in Laramie and chairman of the Wyoming Bankers Association (WAB) agriculture committee, said no bank in the state would be totally immune to shocks in the ranching economy.

"We've written our congressional delegation," Van Pelt said "I'm certain they feel the same way we do. The fee hike could take the profitability out of Wyoming ranches and that's a concern for any bank in Wyoming. The agriculture industry is fairly substantial in Wyoming."

Despite the worries in the banking industry, Mike Saunders, a spokesman for the federal Farm Credit System in Wyoming, said his agencies are not reducing credit to public land livestock operations.

"There are a lot of variables and a lot of cooks in the kitchen," he said. "And our experience has shown that a lot of things can happen in politics and consequently we're not changing our position on loans to operations involving public lands."

Still, Saunders voiced concern about the potential impact of higher grazing costs on short-term and long-term agricultural credit lines in the state

Van Pelt said that Gretchen Tea, WBA executive director, will call on Wyoming Republican Sens. Malcolm Wallop and Alan Simpson this week in Washington to lobby against the fee hikes.

A successful House measure passed earlier this year could boost fees from the current $1.97 per animal unit month (AUM) to as high as $8.70 by 1995. A less drastic measure, which also passed the House, would increase the fee to $5.05 per AUM by 1995. The issue is expected to reach the Senate floor Wednesday or Thursday, as an amendment to the Senate Appropriations Bill (see related story).

In addition, Van Pelt said, the chief topic for the WBA annual meeting next January will be the effects on agricultural credit that changes in the grazing fee structure could cause. Exactly what form the agenda item will take will depend on Congress' final action on grazing fee increases.

Saunders said officials in the Farm Credit System "believe a fee hike is certainly going to have an impact on a lot of operations, their cash flow, and subsequently their ability to service debt.

"We think it will have an impact on the quality of our portfolio * * * As the price of (federal grazing) leases goes up, we think the price of real estate will go down," he said.

Saunders is president of the western division of Farm Credit Services, a member-owned cooperative comprised of the federally-chartered Production Credit Association (PAC) of the Midlands and the Federal Land Bank Association (FLBA) of the Midlands.

The western division includes Wyoming a d the Nebraska panhandle.

The FLBA issues long-term loans for farmers and ranchers, loans that are secured by the land itself.

The PCA makes operating and shorter-term loans to cover annual expenses associated with farming and ranching—such as the purchase of seed, livestock and equipment.

Money from farm loans is generated through the sale of bonds, which are bought and sold daily on the nation's money markets. The bonds are backed and guaranteed by the federal government.

Saunders said he has reviewed portfolios in the four area lending offices his division supervises in the state. He said nearly all loans in the Kemmerer area would be affected by a fee increase, about 70 percent in Gillette, 60 percent in the Casper area, and about 50 percent in Worland.

The impact a fee increase will have on any one operation depends upon the operation's proportionate reliance on federal lands, Saunders said.

The total impact on the Farm Credit System in Wyoming, he said, is that approximately $40 million of the $170 million FLBA portfolio would be placed at some risk. Saunders did not quantify the risk, however.

And about $16 million of $73 million PCA portfolio would be "impacted to some extent. It could make a marginal loan unsecured or under collateralized."

Saunders said the Wyoming sheep industry stands to be hurt the most by grazing fee increases. He said sheep operators rely more heavily on public land, and "the industry has not been profitable for several years."

Saunders cited one "moderately large" southwestern Wyoming sheep operation that he said could not withstand the kinds of grazing fee hikes passed by the House. He described in the operation as a "break-even" outfit, just meeting its expenses last year.

"We took their same cash flow and plugged in the $8.70—their operation is about 80 percent on public lands—and analyzed the impact on their cash flow." Saunders said. "They go from break-even to losing $107,000 a year.

He said the proposed first-year increase in grazing fees to $4.35 per AUM would produce a loss of $35,000 for the operation.

Supporters of the fee hikes say that the current fees are so low that they represent a subsidy that is unfair to producers who compete with Western ranchers.

Saunders said that leased federal grazing lands, though not strictly considered collateral on loans, have a "perceived value" which enhances the creditworthiness of the lease-holders.

A change in fee structure, or a revised method of allocating leases—for example, the use of competitive bidding as has been proposed by some lawmakers—would throw the entire farm credit system into disarray, Saunders said.

"Traditionally the leases on public land have been considered assured," he said. "There really are no guarantees, they're not perpetual but * * * any public land associated with a particular operation generally remains with that operation."

CAN DEMOCRATS TAKE BACK THE WEST?

(By Warren T. Brooks)

Since 1980, the Republicans have had an electoral lock on the West because of the Sage Brush Rebellion, a coalition of ranchers, farmers, lumbermen, miners and oil drillers fighting the no-growth environmentalism of the Carter administration.

Now, three Democrats have constructed a diabolical plan to hang those Republican constituents economically, and some Republicans are all-to-eager to supply the rope.

Reps. Mike Synar of Oklahoma, Chester Atkins of Massachusetts and George Darden of Georgia propose to quadruple the grazing fees on federal land from the fiscal 1991, now $1.97 per animal unit month (AUM), in stages to $8.70 AUM by fiscal 1995. The net effect of this move will be to take the present average total operating costs on federal lands from about $14.29 AUM (including water, feed, fencing and range improvement) to about $21.18. (See Table.)

Since that is 43 percent higher than the comparable $14.79 AUM costs on private grazing lands, Oregon State's range resource economist Frederick Obermiller said, "The Synar fee system would set grazing fees above the fair market value of public rangeland livestock forage, and hence would lead to the demise of livestock grazing in the Western United States."

Not only will this make the Democrats heroes to environmentalists who want to end all grazing on federal lands (and give them effective control over 40 percent to 90 percent of the land of those states), but it will destroy the Republican constituency.

So why did 47 Republicans join 187 Democrats to pass the Synar-Atkins-Darden bill as an amendment to the fiscal 1992 Interior Appropriations bill last June 25? Why did normally sensible conservatives like GOP Reps. Bill Archer, Tom DeLay, and Lamar Smith of Texas, Chris Cox and Dana Rohrabacher of California, Phil Crane of Illinois, Gerry Solomon of New York, and Bob Walker of Pennsylvania vote to turn vast Republican rangelands over to the Sierra Club?

Most such conservatives see this as simply another federal "subsidy" going to "rich cattlemen," and they felt compelled to listen to Mike Synar's rhetoric: "Only 2 percent of our nation's cattle ranchers, 26,000 out of 1.6 million, enjoy a grazing subsidy that no other rancher in this country enjoys. That is a fact. It is a fact that they are chewing their way through $150 million a year of taxpayer money. That is a fact. And finally it is an irrefutable fact that 60 percent to 70 percent of our rangelands in this country are in poor or unsatisfactory condition."

Yet the Bureau of Land Management reported in 1990 public rangelands were in better shape "than ever before in this century," with 69 percent rated excellent to fair, while land in "poor condition" had fallen from 36 percent in 1936 to 16 percent in 1989. Some "facts."

One "fact" Mr. Synar left out is that his bill would enormously stimulate prices and profits of his own cattlemen constituents, including himself and Mr. Darden. The rest of his "facts" came from a General Accounting Office study that he ordered up for the occasion. But GAO has become such a shill for the majority party that funds its budget, it now has minimum credibility.

Mr. Synar's most credible support comes from Citizens Against Government Waste (the Grace Commission) and the National Taxpayers' Union, both of which oppose any and all subsidies.

But the grazing issue is not a straight "subsidy" issue. Since ranchers pay some $36 million to the Treasury, it is only a subsidy if the land could be leased to others for more. While that may be true of about 5 percent to 10 percent of these lands, it is not true for the rest. Otherwise, there would not be 20 percent unused permits in a period of soaring beef prices. Indeed, a 20 percent "vacancy rate" is sure proof the grazing fees are, for most of the land, too high, not too low. Several rangeland economists estimate that if the fee rate is quadrupled, total fees received by the Treasury will fall to less than $15 million, because at present price elasticities every 100 percent increase in price will cut land use 50 percent. A 300 percent rise will take 93 percent of the land out of grazing.

That means the Synar bill constitutes a massive "taking" of private property and water rights that could cost taxpayers billions in court suits that are already being prepared. Remember, these grazing permits are "owned" by 31,000 ranchers, many going back to the turn of the century and earlier, who have made big investments in these ranges including developing all their water resources and fencing. The Internal Revenue Service treats their permits as taxable capital assets.

Currently those ranchers, whose average income is only $28,000 a year, hold a taxable capitalized value of more than $12 billion. But their water rights have no value except for grazing.

The biggest cost of this bill comes because it would force Uncle Sam to shell out billions in preservation costs for land that now earns money. Since these lands are interspersed with private ranges, they would have to be "fenced out" against private grazing by the government. In one grazing district alone, Rock Springs, Wyo., BLM estimates it will have to put up 13,222 miles of fencing for a total taxpayer cost of $97,737,000. In total, those costs could exceed $2 billion.

Finally, there is nearly universal agreement that while some areas have been overgrazed, by far and away the biggest damage to these lands has come from federally protected wild horses whose sharp hooves do far more damage than cattle.

In short, the Synar bill has very little to do with ending subsidies, or saving land or money. It has everything to do with locking up federal lands, pushing up the prices of beef and veal 10 percent for all other cattle ranchers, and putting the Republican Party out of business in 8 or 10 Western states.

TOTAL GRAZING COSTS

Per animal unit month (AUM)	Federal lands	Private leases
Lost animals	$1.82	$1.12
Association fees	.27	—
Veterinary	.45	.53
Moving livestock	1.11	1.16
Herding	1.86	.77
Salt and feed	2.32	3.09
Travel to and from	1.49	1.18
Water (production items)	.27	.20
Horse grazing (wild)	.50	.31
Fence maintenance	.89	.92
Water resource maintenance	.69	.55
Development depreciation	.37	.10
Other	.44	.47
Total	12.48	10.40
Fed grazing fee (1990)	1.81	—
Private forage value	4.35	—
Total operating	14.29	14.75

Source: Darwin Nielsen, Utah State University, 1990.

Mr. JEFFORDS. Mr. President, I would like to point out that the Senator who just spoke is the ranking member on the committee which would handle any kind of changes in these fees. There has not been any hearing, even though the conference committee to the appropriations bill from last year instructed the authorizing committees to resolve the issue this year, so we could act with the kind of back-

ing of the authorizing committee he discussed.

I yield to the Senator from Ohio 10 minutes.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 10 minutes.

Mr. METZENBAUM. Mr. President, I want to start off by saying I yield to my friend from Wyoming. He knows more about this subject than I do. But I know something about figures, numbers, and I know that the Government and the people of this country are getting a bad deal. And it should not be that way.

I also know what this amendment provides. Although my colleague from Wyoming talks about fencing and the cost of fencing, there is no law requiring fencing out. Our amendment will not require one penny more to be spent on fences.

There has been much debate over the course of the past week on the subject of western grazing fees. It has been long on obfuscation and hyperbole, and it has been short on the facts. There has been talk of fencing off the West, of ruining the environment; that our amendment would drive small ranchers off the land and forever change the character of western life.

No one, no one in this body, no one who I know of would want to do that. But nothing could be further from the truth. According to the Forest Service and the Bureau of Land Management, the modest increase in grazing fees authorized under our amendment would not result in the removal of a single cow or sheep from the public range.

Mr. President, let us make something clear. Only 8 percent of Rocky Mountain ranchers are the beneficiaries of Federal grazing leases. That means only 1 out of 12, 8 percent; only 2 percent of cattle ranchers across the Nation have them. That means only 1 out of 50 cattle ranchers across the country have these Federal grazing leases.

Everyone else pays markets rates for the rights to graze on private land. They pay four, five, six times as much. The fact is, this amendment will not affect many ranchers at all. The real issue here, Mr. President, is—nobody has yet mentioned it in 3 days of debate, and I will point it out—only a few ranchers are entitled to graze on Federal lands. Some never have that opportunity. This does not apply to all the cattlemen in the country. Grazing rights are not competitively bid. They are handed down from one generation to the next because the right to graze on Federal lands is based on the ownership of private property.

For example, a 3,000-acre ranch in Colorado may have the rights to 300,000 acres of Federal grazing land. That right accompanies the ownership of the privately owned land. It does not change. If you own 3,000 acres, you have rights to 300,000 acres, whatever the case may be, of private grazing land. Whoever owns the private land has exclusive rights to the grazing permit.

Accordingly, Mr. President, the grazing right drastically increases the value of the ranch. And I ask, what would be more valuable: A 3,000-acre ranch or a 3,000-acre ranch with the rights to 300,000 more acres of publicly owned grazing land? The answer is obvious, and that is the rub. Our amendment will force ranchers to pay a little more for their Federal entitlement and will therefore decrease the value of that entitlement.

I would like to address myself for a few minutes to the subject of the grazing fee subsidy. Most people in this country probably do not have any idea what this is all about, and they do not understand what a good deal this small group of ranchers have.

Currently, ranchers pay permit fees that total about $1.97 per animal each month; less than $2 per animal. The fee is set by a formula established by a 1986 Executive order based on an appraisal of the forage value of the land that was conducted 25 years ago in 1966. Does that have any bearing whatsoever on the current market value of the land? Of course not.

In many places, public land ranchers are paying less than a quarter of what they would pay to graze on privately owned lands, and Uncle Sam is Mr. Sucker.

In 1983, the U.S. Department of Agriculture estimated the fair market value was between $4.68 and $8.55, which compares with the $1.97 presently paid. Since that fair market value was established in 1983, the value of the land has increased.

According to a 1986 report from the Secretary of Agriculture and the Secretary of the Interior, the market value of forage land in six western regions was between $6 and $11 per animal per month. That is the 1986 report from the Secretary of Agriculture and the Secretary of the Interior, the figures indicating the value 3 to about 5½ times what is actually being paid.

We heard some discussion on the floor, a good deal from my friend from Wyoming, about the relative accuracy and general usefulness of these Federal agency reports; that they were only prepared by bureaucrats who do not know anything about ranching and western life.

I will respond to that by saying that if these reports are wrong and these public lands really are only worth $1.97 per animal per month, then why are Federal grazing permittees subleasing out their grazing rights to other ranchers for as much as $7 per animal per month, and illegally, I might add, as well.

That is what is happening, Mr. President. I will repeat it. Federal lands are being subleased by permit holders because private ranchers know the land is worth more than $1.97 per animal per month, and they are willing to pay it. How do I know this?

In 1987, the Colorado State University published a study—a Western State university—disclosing that 1,000 Federal permittees paying the then Federal fee of $1.39 were subleasing their permits for rates in excess of $7. A similar report was published by the Los Angeles Times in a series of articles pointing out the inequity of the grazing fee system.

According to the Department of Agriculture, in 1991, a rancher with a Federal permit could turn out a 500-head herd of cattle for 4 months at a cost of $3,940. Ranchers without such a permit would pay the market rate of $9.22 per animal unit for a total cost of almost $18,500, as compared to the $3,940.

Here is another aspect of this egregious issue, Mr. President. Grazing fees charged to ranchers do not even cover the cost of maintaining the range. Listen to this. The Forest Service will spend $3.86 per animal month, nearly $2 more that it collects, just to administer the program. It collects $1.97; it spends $3.86.

As if that were not bad enough, ranchers would have us believe that if we raise the grazing fees, they will not be able to invest in range improvements and practice good stewardship over the land. But according to the Congressional Budget Office, between 1979 and 1983, ranchers spent on average only 16 cents per animal each months on improvements. No wonder ranchers say the value of Federal ranch land is less than private land. They do not spend any money to keep it up.

Despite all the rhetoric we have heard over the past few days about all the wonderful improvements ranchers have made to their permitted lands, the fact is they spent almost nothing on them, according to the Congressional Budget Office.

This is a sensible amendment. It will not drive ranchers out of business. It caps the increase in grazing fees to no more than 33½ percent in any year until it reaches market rate. Accordingly, it will raise the fee from $1.97 this year to $2.63 in 1992; $3.50 in 1993; $4.66 in 1994; $5.09 in 1995; and $5.13 in 1996.

The amendment will increase net Federal receipts by $110.3 million over fiscal years 1992—96, according to the Congressional Budget Office.

In addition, the amendment abolishes BLM's Grazing Advisory Boards that are dominated by livestock interests and replace them with multiple-use advisory boards as was done with similar advisory boards at the Forest Service pursuant to the Federal Land Policy and Management Act of 1976. These single interest boards are anachronistic given BLM's and the Forest Service's multiple-use mandate.

Finally, Mr. President, our amendment will not drive ranchers off the public lands. The Forest Service and the BLM predict that demand for forage will remain steady under the new formula.

Grazing fees represent only 3 percent of a rancher's cost of doing business. Gradually raising grazing fees to market level—with increases limited to 33.3 percent per year—can hardly be called a hardship.

All businesses realize increased costs from year to year. Why should ranchers be any different?

The amendment is supported by:

Citizens Against Government Waste;
National Taxpayers Union;
Citizens for a Sound Economy;
Independent Cattlemen's Association of Texas;
National Wildlife Federation;
Wilderness Society;
National Resources Defense Council;
Audubon Society;
Sierra Club; and
Southern Utah Wilderness Alliance.

In conclusion, let me say to my colleagues who are opposing this, you in the main are the ones who are constantly coming to the floor urging us to balance the budget; that we have to do something about balancing the budget; that we are in runaway expenditures by the Congress; that we are not trying to make people pay a fair amount for what they are getting from Government. You say cut the deficit, get rid of special interest subsidies. Here is an opportunity to do so.

Just last September, my colleague, the senior Senator from Idaho, addressing the budget crisis, recounted how some of his constituents said: "Steve, disassociate yourself from that Congress * * * Congress does not have the guts to say no to anybody for anything on any issue."

Well, here is your opportunity, I say to the Senator from Idaho.

I remember last year, when we were debating the budget summit agreement, Senator WALLOP, who so eloquently spoke to this issue yesterday, complained, "Our deficit package is a great deal bigger than it would have been had we just restrained ourselves to a level of spending similar to inflation, or similar to that of a year ago."

I say restrain yourself. I say this is an opportunity to do something about balancing the budget. I say it is a fair way to do it. It does not adversely affect the cattle ranchers. It only affects 2 percent of the cattle ranchers in this country. It is the right thing to do. It is the fair thing to do and it is the thing that should be done if we are to approach this issue in a fair and equitable manner.

I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. WALLOP. Mr. President, I yield myself 10 seconds.

I say to my friend that had he watched, read or bothered to inform himself of the testimony in the House, he would have found BLM has testified that they break about even on this.

I yield 3 minutes to the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, I also applaud the side of my colleague from Ohio that had heretofore not revealed to me their commitment to balancing the budget. I think it is wonderful. I hope he will translate that profound desire into support for line-item veto, reform of the budget process, and a balanced budget amendment to the Constitution.

The fact is, I tell my colleague from Ohio, that if this amendment is agreed to, it will increase the deficit. Why? Because it will deprive the Federal Government in my State of some $18 million worth of environmental improvements to public grazing areas each year. Without these contributions from ranchers, these improvements may have to come from the taxpayers. Also, and perhaps far more importantly than that, I say to my friend from Ohio, what it is going to do is drive out of business and into poverty family after family after family all over the West engaged in cattle ranching and open ranges for generations, ever since the West was won. These people do not have access to other businesses, they do not have access to other industries in my State. They would be placed at such an economic disadvantage that they may have to seek assistance from the State. These are small family farmers who are dependent upon grazing of cattle on public lands for their livelihood. What the Senator from Ohio is going to do with this amendment is drive them out of business. So let us be clear about the impact it might have on balancing the budget, which would be to dramatically increase the deficit rather than decrease it.

Mr. President, I rise in strong opposition to the Jeffords-Metzenbaum amendment to drastically increase grazing fees on public lands. This amendment, which would raise grazing fees by approximately 160 percent, will have a severe impact on thousands of western ranching families and the rural communities they sustain.

The issue of grazing cattle on public lands has fostered a great deal of debate over the past several years. Unfortunately, this debate has promoted an inaccurate characterization of both the fairness of the current grazing fee formula, and the ability of ranchers to properly maintain public rangelands in the West.

The cattle industry is vital to the well-being of many rural communities in the West, and this amendment would deliver a devastating blow that many small, family-run ranching operations would never recover from. At a time of continuing economic difficulties in Arizona and many other States, this ill-advised boost in grazing fees would be an especially injurious mistake for the Senate to make.

Balance the budget!

It is important to state clearly at the outset of this debate that the fees charged for grazing cattle on public lands cannot be blindly compared to those on private lands. Ranchers who graze their herds on public lands are responsible for the costs of fencing, roads, creating and improving water sources, and other related expenses—while those using private lands are not.

The soundness of the existing grazing fee formula stems from the fact that it is market based, and indexed to current prices for production inputs, forage, and beef. As beef prices go up, so does the amount a rancher pays the Federal Government to graze his cattle. This amendment would totally undermine a fair and flexible grazing fee formula that is strongly supported by a bipartisan coalition of Senators, the top land management officials of the Federal Government, the Bush administration, and thousands of State and local officials in the West.

Unjustly pricing ranchers off our public lands will definitely result in bankrupt family livestock operations, lost jobs, steadily declining living standards in ranching communities, and a reduction in revenues to the Federal treasury. Ultimately, this amendment may help bring about the end of the industry that has been a foundation upon which America's western frontier was settled.

It would be extremely unwise for the Senate to pass this amendment, and thereby begin the unraveling of an industry that has kept rural western communities going for generations. The cattle industry in my State alone has a positive economic impact of over $300 million annually. This figure does not even begin to include the substantial purchases of livestock operators from the service and retail sectors of Arizona's economy, as well.

Those who favor a rapid increase in grazing fees must realize that rural communities throughout the West do not have other core industries to support local schools and basic government services. The economic effects of a steep increase in grazing fees would be calamitous for thousands of small, family-based ranching operations, and for their surrounding communities.

Mr. President, I have played a major role in enacting legislation that will preserve over 5 million acres of wilderness in Arizona, and I remain intensely dedicated to protecting the precious natural resources of Arizona and all 50 States. In weighing the charges of damage done to public lands by grazing, I think it is instructive to note the views of the Director of the Bureau of Land Management in this regard.

In testimony before a House subcommittee in March of this year, BLM Director Cy Jamison stated that the condition of America's public rangeland in 1991 is better than at any other time in this century. Director Jamison also said that the status of over 87 percent of BLM's public rangeland is "stable to improving," and that the amount of public rangeland in "poor condition" has declined by 4.4 million acres in the last 2 years.

These facts do not mean, however, that Members of this body should be insensitive to concerns about instances of possible overgrazing. We should continue to strive to manage and protect our rangelands with increasing respect for their natural environmental assets.

Let the record on this debate also show that wildlife populations in areas of public rangeland in Arizona and across the West are among the highest on record—and they're steadily increasing. The authoritative testimony of the Director of the BLM shows that ranchers and Federal land managers have established an effective partnership in caring for our Nation's public rangelands.

Mr. President, for decades the Congress has directed that the public lands of our Nation be prudently managed for a variety of uses. This multiple use concept enjoys the overwhelming support of Americans, and it wisely balances the long-term interests of recreational activities, wildlife protection, and the productive use of important natural resources.

In the Western United States, where privately owned lands are a relative scarcity, I think it would be extremely unfair for cattle ranchers to be pushed off public lands by high grazing fees. Should the Jeffords/Metzenbaum amendment pass, this will be the case.

With the long-term survival of hundreds of small, rural Western communities at stake, I urge my colleagues to oppose this amendment. Let's take a stand in support of the hard working, independent breed of American known as the western cattle rancher, and avoid laying a roadblock in front of their productivity and perseverence.

Mr. President, the proud legacy and economic contributions of ranchers in America continues to this very day. I ask my colleagues to carefully consider the importance of the livestock industry to the economy of the Western United States. Let us not single out ranchers on public lands for a grazing fee hike that is economically unfair and fiscally short sighted.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. WALLOP. Mr. President, I thank the Senator from Arizona. His witness here tells us something, and it ought to tell those who live in places that do not have public lands, those who would judge and rule our lives ought at least to take time to understand it.

I yield 3 minutes to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator is recognized.

Mr. SIMPSON. Mr. President, I thank my long-time friend and colleague, Senator WALLOP, and commend him for his eloquent work with regard to this issue.

It is recognized that he is one of the leading proponents, advocates, and even the word "expert," if I might use it, in this particular area. I think he has done an extraordinary job, and I have been very pleased to work with him. I want to thank Senator BYRD, who was extremely courteous and understanding to me in meeting my schedule on a personal constituent matter long planned. He accommodated that, and I am deeply appreciative.

We have witnessed this unrelenting level of scrutiny over the public lands. It seems in the West that we have a lot of trouble telling our story to the rest of the country. We get into it with grazing fees, timber sales, appeals of oil and gas leasing and exploration decisions, moratoria attempts at granting mining patents, reclamation standards, and acceptable procedures for conducting mining operations. There are strange forces at work which do not understand the West or the public lands in the West.

We have regular controversies over access, and multiple use issues that the Senator from Arizona referred to—problems with motorized and nonmotorized vehicles, and the cumulative effect of all those actions. Nearly half our property in Wyoming is owned by the Federal Government which forces the people who live in my State to deal with this opposition to nearly every vital economic action they take in order to support their families.

They are appalled by that. They feel frustrated and on the defensive. It causes their tempers to rise.

This is not a budget debate or a matter of Federal equity. This is the ancient game of "stop the cowboys from using the public land." It is a tiresome debate. I come here to this floor, and I support measures of tremendous monetary significance to others in other parts of the United States, especially in agriculture. Then, to see this minuscule attempt to come at one part of the $13 billion Interior Appropriations bill is ludicrous. Why, it does not even register on the screen.

I do commend Senator JEFFORDS. I know he has studied the issue and given it a great deal of his time, I know that he has been particularly influenced by the GAO report.

But there is a very complex relationship between the land and the citizens of it, the public lands and the Western economy, that is not reflected in the GAO report, or the comments of Senator JEFFORDS. This public land does not solely belong to those of us in the west—it belongs to all of the people of the United States—We understand that. But perhaps the difficulty for others in understanding these issues is the same difficulty I would have in truly understanding the life style in Vermont, the life style of Senator JEFFORDS' constituents who work to operate a dairy farm in the most efficient fashion with the least amount of Federal subsidization.

Because of these differences, we speak past each other. I do not discount the importance of this issue. It is one of the most important cornerstones for those of us in the West.

So, as I consider these things, different comments and concerns from other Senators, I want to remind all my colleagues that all of this can be resolved. We will do it the regular way. We will have hearings, which we have not had. We will have all the parties involved. We will discuss the grazing fee formula and try to educate people about what that is now, and how it was established and why it is fair and equitable. We will have all of those discussions. But an amendment on the Interior appropriations is not the place to do it just out of some retribution toward the West for some slight that may have come in years past.

The Congressional Budget Office has estimated that Senator JEFFORDS' amendment will generate an additional $110 million over 5 years. This is approximately $22 million per year for the next 5 years. That does not take into account the loss of tax revenues from the ranchers who may not be able to make it if these fees are increased. Let me make it clear to my colleagues that this is $22 million of revenue in a bill that will spend $13 billion in the next fiscal year. There are much more efficient ways to reduce the Federal deficit.

In addition, the CBO's budget estimate does not include secondary effects. The Wyoming Banking Association understands and is greatly concerned about the potential impact of foreclosures and mortgage failures that may occur with a number of ranchers that are on the financial brink right now. Certainly, we have watched land values erode in the West in recent years similar to the commercial real estate values in the East. Our banking industry has already suffered. We should not exacerbate the problem by this action today.

Other aspects of this amendment are revenue losers. It is difficult to predict additional costs like fencing and weed control which will be shifted to the Federal Government should the ranchers leave the land. But if Senator JEFFORDS and others are seriously concerned about looking out for the taxpayers on this issue, we ought to investigate and let them know how much the final bill will be for any alternative

program. That bill may be much higher than the current program.

I will not launch into a detailed comparison of the subsidies that Wyoming receives versus those received by Vermont. However, I do note that countless dollars are spent every year on urban projects—urban housing, transportation, and education. They are important expenditures that enhance the way of life for urban dwellers. But because our population in rural, public land States is so small, it is not appropriate to think that the people who live in these States deserve less Federal attention to their unique way of life.

It has been said that the grazing fee only benefits 2 percent of this Nation's cattle producers. Does that mean those hard working individuals are any the less important? They pay their taxes and raise and educate their children just like people in cities do. But they also raise beef cows and lambs—food products that people nationwide consume. And they do this by using public lands.

Americans should understand that grazing cows and sheep on public lands does not prohibit other Americans from using these lands. These BLM and forest lands have open access. People can still hunt on them, look for fossils, ride their motorbikes, hike, fish, and camp.

In closing, from this debate it is apparent to me that some of my colleagues are myopic in their understanding of public lands issues in the West.

It is also apparent to me that addressing the budgetary effects of the grazing fee will not solve everyone's problems with grazing on public lands. It is not solely a budget argument. There is very much an agenda here by those proponents of "cattle free by '93", and they would like to eliminate all grazing on public lands. I urge my colleagues to vote against the amendment offered by Senator JEFFORDS.

Mr. WALLOP. Mr. President, I yield myself 1 minute.

Mr. President, I would simply say to my friend from Ohio, and anybody else in the Senate who cares to know what the subject is about, while not just focusing on the environmental vote not affecting any of their constituents, that what is not understood is these are not great seas of Federal land controlled and accessed by rich and powerful families.

Mr. President, take a look at this map. The white is private land. The map exemplifies a mixture of private and public land, a mixture of State and Federal lands. Look up in this area, Mr. President. Each of these little tiny Federal parcels are surrounded by private land. The Senator from Ohio and the Senator from Vermont do not have the foggiest notion what it is like to own land while having the Federal Government tell you how many of your own cattle and sheep can graze on your private land because they might set foot on the public land.

Over here is an important example: The red is private land; white is public land. These are not seas. These are interspersed parcels of land. You tell me, Mr. President—this is one portion of one ranch—how in the world is the Federal Government going to put this up for bid and lease it to somebody else? This is an accident of history over which the landowners have no control, but they have a Government sitting here with people and Senators from other States who have no idea where they are, and be willing to change their lives with the drop of a hat.

Mr. President, I yield 3 minutes to the Senator from Colorado [Mr. WIRTH].

The PRESIDING OFFICER. The Senator from Colorado.

Mr. WIRTH. Mr. President, I thank the distinguished Presiding Officer, and I thank the Senator from Wyoming.

I spoke at length on this late last week, Mr. President, and essentially would like to summarize and make two points as strongly as I can why this amendment is ill conceived and why it should not be passed.

We have significant problems in the high country of the Rocky Mountain region. Almost every one of the high mountain valleys was settled by ranchers. Those ranchers are now struggling to hang on to the economic wherewithal to keep this land, to keep that intact and to keep that as open space which they are committed to doing. The impact of the amendment offered by the Senator from Ohio and the Senator from Vermont runs directly counter to the interests that many of us have in maintaining the environment and the open space of that area.

If this amendment goes into effect, what is going to happen is many, many of these ranchers are going to effectively be driven off the land. These are mostly very marginal operations. These are not people out making a ton of money at taxpayers' expense. These are people living on the margin. I can tell you the numbers of the cattle business are not very good.

If this amendment goes through, these people are driven off the land as cattle people, and they end up with one of two choices. One of those choices is to sell their water rights. That is one of the resources they have. What does that do in the West?

Water doctrine in the West is effectively that water runs after money. You sell your water rights, you dewater those high mountain valleys, and you have destroyed that environment.

The other choice these ranchers are going to have, Mr. President, is to subdivide their land into more 35- or 40-acre ranch estates, precisely the opposite of what we want to do. Our goal is to take the next step beyond wilderness legislation, the next step to do what we can to make sure that these ranchers can stay in business—not drive them out of business as this is doing, but let them stay in business so these most valuable lands, the high mountain country, the high mountain valleys stay intact.

That is the quality of my backyard. That is the quality of Montana, Idaho, and so on is built around these basic stream and river valleys in the mountains. If you destroy that, which this amendment is going to do, you have exactly the opposite impact of what I believe the authors of the amendment are attempting to do.

That issue, of course, has not come up because we have not had 1 day of hearing, we have not had one day of discussion nor anybody environmentally concerned as I and others are to discuss what the unintended consequences of this amendment may be. The unintended consequences for us in Colorado, and for just everybody in the country that I know so well, running down the spine of the Rocky Mountains, is that it is going to be very, very deleterious to our environment.

I urge my colleagues not to agree to an amendment that sounds good if you say it fast enough, this amendment, that we will say no and let us do it the right possible way.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. WALLOP. Mr. President, I yield 1 minute to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. SYMMS. Mr. President, I would like to compliment my colleagues from the West, Senator WALLOP, and others who have made the case very well, and my new colleague from Idaho, Senator CRAIG also. I share their view.

There is a basic problem, a fundamental problem here that is always overlooked; that is, that one-third of the land in the United States of America, this so-called land of free enterprise, is owned by the Government. We are now trying to apply some kind of nonmarket rules that do not fit the system and would totally disrupt, discombobulate, and destroy what has been done for the past 100 years in the Western States. It would be terribly detrimental to all the people in the United States and is totally misunderstood by, I know, by my sincere colleagues.

This is basically a fundamental private ownership issue. These people do not own this land. Because of that someone else is setting the rates. We have a system in place that works very well to address the problems caused by Government land ownership in Western States.

Therefore, Mr. President, I rise to oppose the Jeffords-Metzenbaum amendment to raise grazing fees in fiscal years 1992 through 1997. The amendment raises fees for grazing on Federal lands more than 200 percent over the next 5 years and would throw out the sensible market-based approach established by the Public Rangelands Improvement Act of 1978.

The current formula measures several variables, including production costs, livestock prices, and private lease rates. Those who want to abandon this sensible approach and more than double grazing fees say it will help improve the range and increase Federal income to the tune of $60 million. Both of these assertions are false.

Two recent rangelands studies reject the argument that grazing is incompatible with sound range management. The Bureau of Land Management's report entitled, "State of the Public Range 1990," and a joint study prepared by the University of Idaho and University of Arizona entitled, "Seven Myths about Livestock Grazing on Public Lands," both conclude that government-owned rangelands are currently in the best shape they've been in this century.

Ranchers know the value of the land because their livelihoods depend on it. They know the importance of sound range management and, with few exceptions, they practice it. I know of no expert, no rational analyst, and no reasonable person who can maintain that doubling grazing fees and driving ranchers off the range and into bankruptcy, while devastating the economies of local communities throughout the West, will result in better range management.

The other argument—that raising grazing fees will increase Federal income—is silly. Ranchers will not be able to pay the grazing fee increase because people will not buy that beef steak when the price goes up five or six times before it gets to market.

What currently exists is a market-based formula that assesses a reasonable charge to grazing permit holders. Raising these fees might increase Federal receipts next year. However, I would assert that receipts will acutally fall below current levels after that. As we raise these fees past an affordable level, ranchers will simply go out of business or graze their livestock on private lands where sufficient private lands are available.

The fee generated by the existing formula is fair and predictable. Total costs of using public rangeland are often higher than the total costs of using private lands. In fact, 20 percent of the public grazing permits allotments go unused each year. Obviously, the grazing market does not think Federal grazing is a significant bargain and neither should we.

We should also remember that the majority of the ranchers who graze sheep and cattle on Western lands run small, family-owned operations. Because of checker-boarded land ownership, they require a balanced mix of public and private grazing land if their livestock operations are to be viable.

Not only would this fee increase affect these family ranchers, but public land grazing makes a significant contribution to the rural economies of the West. Generally, the less settled and less developed lands in the West are the most dependent upon stable grazing fees. Because of this relationship between grazing fees, ranchers, and the economies of many small communities in the West, this amendment could be called, "the Ghost Town Act of 1991."

If fellow Senators are not moved by small towns in the West going broke, they should at least consider the long-term environmental impact of eliminating these fees by making them unaffordable. The revenues from these fees are critical to the condition of rangelands. In just 12 years, since the passage of PRIA, the public-private partnership on the range has greatly benefited forest, rangeland, and fish and wildlife conditions in the West.

For example, the Bureau of Land Management confirmed what most ranchers in the West already knew in a report called, "State of the Public Rangelands 1990." In the report they said that "public rangelands are in a better condition than at any time in this century."

There is one other important factor that most easterners just do not understand about the West. Water.

Yesterday, my friend from Wyoming, Senator WALLOP, explained the interrelationship of land ownership that will require the Federal Government to fence literally thousands of acres of land. Well, Federal land management agencies won't be the only ones building fences.

Many of these small ranching operations have water rights older than the agencies. The authors of this amendment might be able to drive ranchers off the Federal lands with higher fees, but these ranchers will probably fight to the death to protect their water rights. If there really are outside operations willing to pay higher fees, their livestock will be mighty thirsty.

Many of the points I have discussed today are typical of the complex nature of this subject. They are compelling reasons to consider this amendment in the Senate Energy and Natural Resources Committee and not here on the floor of the Senate. Another example of the confusion over this amendment was expressed yesterday by Senator JEFFORDS. He suggested that his amendment will reduce the subleasing of grazing permits for profit. The amendment before us does nothing to stop this practice, but subleasing is illegal anyway.

If there are legitimate problems with the current grazing fee formula, they should be considered by the authorizing committee. Public hearings could be conducted so the many issues surrounding this issue can be aired and considered.

So, I would ask my colleagues in the Senate to oppose this amendment. It will ruin economies in public lands States and will probably cause an increase in the degradation of the Federal Government's Western rangelands.

Mr. President, I ask unanimous consent that an article entitled "Higher Costs Spell Disaster in West," by Laird Noh, a State senator and a rancher in Idaho; a letter from the Pleasantview Livestock and Grazing Association in Oneida County, ID; and a document entitled "Seven Popular Myths About Livestock Grazing on Public Lands," published by the University of Idaho in March 1990, be printed in the RECORD.

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

[From the Twin Falls (ID) Times-News, Aug. 18, 1991]

HIGHER COSTS SPELL DISASTER IN WEST

(By Laird Noh)

In all the recent verbiage over federal grazing fees, a key element is always overlooked: the permit that is required to graze federal lands and the direct effect large increases in grazing fees have in reducing the dollar value of that permit.

Grazing permits, similar to a federal license for a TV or radio station, were issued many years ago as a means to limit what was then free come-and-get-it grazing on the public domain.

A limited number of permits were issued to ranchers who met certain criteria. If all went well, the permit would be renewed every 10 years to the same rancher. For the first time, there was accountability.

Permits were by law attached to the private lands in an effort to create viable economic ranching units in the West where there was so little private property. Federal permits added value to the associated private lands.

These permits have been bought and sold freely among ranchers, with each taking on a unique and changing value depending upon the many elements that influence the demand for that permit. The value of the permits is subject to federal and state inheritance taxes.

In many cases they serve as collateral for loans from long-term lenders. Over the decades, prices that purchasers were willing to pay for individual permits changed considerably. Some become worthless and go unused while others have maintained values as high as $100 per animal unit month (one cow or five sheep for one month).

Although the federal agencies, especially the Forest Service, go to great lengths to avoid recognizing these investment values, they are as real to the permittee as his investment in land or livestock.

The grazing permit system offers great benefits for protecting the long-run productivity of the public lands. Every rancher has a financial incentive to maintain the value of his permit, which translates directly into maintaining adequate forage for the number of AUMs allowed.

In addition to owning a permit, the rancher pays a grazing fee ($1.97 per animal unit

month) to the Bureau of Land Management or the Forest Service. Raising that fee by 400 percent, as proposed by Rep. Mike Synar, D-Okla., would have an immediate and devastating impact upon the values of grazing permits.

Millions of dollars of investments in grazing permits would be immediately destroyed. The values of private lands tied to the federal permits would decline sharply too. With narrow cash flows wiped out to pay increased federal fees and with asset values plummeting, many ranchers would suddenly be in bankruptcy.

With no long-term value remaining for federal permits, remaining Western grazers would have clear incentives for short-term exploitation of the land rather than for long-term productivity. They would harvest with their livestock the full $8 worth of forage charged every month.

After a price-depressing sell-off of Western livestock, ranchers from the private land states would, indeed, prosper and consumers would pay a higher price for the reduced supply of meat, much more of which would be grown in feedlots.

This isn't to say that the livestock industry, like any industry, can't do better. Some grazers have never learned good range management practices and have already unintentionally destroyed the value of their permits.

But overall the ranges of the West have been greatly improved since the turn of the century and the trend continues. The public lands have never grazed less livestock and more wildlife than they do now. The Synar grazing fee proposal should be seen for what it is: misguided and devastating to the environment and economy of the West.

(Laird Noh, Kimberly, is a third-generation rancher and chairman of the Idaho Senate Resources and Environment Committee.)

SEPTEMBER 9, 1991.

Senator STEVEN D. SYMMS,
U.S. Senate, Washington, DC.

DEAR SENATOR: We ask your support in voting on the Cattle Grazing fee increase and hope you will vote against.

Pleasantview Livestock & Grazing Assoc. In Oneida County list our cost for 1990.

Water, power, fencing etc.	$13,689.96
Equipment and labor	24,706.24
State and other leases	3,149.48
Total	41,545.68

This doesn't include riding and moving of cattle expense in the 4 months. We had 2,312 head of cattle on 44,990 acres for 4 months so the cost per cow $17.96. Our five year average expense per head is $15.57. Our Association use fee for five year average per head for the grazing season is $9.20, and the BLM use fee for five year average per head for grazing season is $5.74. If the grazing fees are increased to $8.50 per Aum which is $34.00 per head not many of us will stay in the cattle business.

We the cattlemen of Oneida County show the following on County Estimates for 1989, 1990, 1991 by head.

Year	All cattle and calves	Beef	Dairy	Steers, heifers, calves, and bulls
1989	22,500	12,500	900	9,100
1990	21,000	11,500	800	8,700
1991	23,000	13,000	1,100	8,900

There is a total of 26,238 head of livestock that is pasturing on BLM and U.S. Forest Service properties in Oneida County.

The most recent (1987 Highlights) Agriculture Statistics shows that total Agriculture Sales in Oneida County amount to $12,201,000.00 distributed as such $5,552,000.00 (45.6%) in livestock and livestock products sales and $6,649,000.00 (54.5%) in crop sales.

The latest released Idaho Agriculture Statistic Service report dated June 4, 1991 shows that private livestock ownership in Oneida County is 23,000 head. There is estimated approximately 3,000 head of livestock pastured on U.S. Gov. land in Oneida County.

Oneida County has 383,916 acres Federal & State owned Land—50.4% (140,025 ac. U.S. Forest Service, 225,000 ac. BLM, 14,000 ac. State of Idaho) 378,324 acres private ownership—49.6% Total 762,240 Acres 100.0%.

Oneida County Property Taxes collected in 1990 $159,254.00. Payment in Lieu of Texas by Fed Govnmt. $1,000,783.00 Private owned property taxes $1,160,037.00 total taxes collected. Actual recorded 1991 Number of Private (Permittees) Owned Livestock ranging on Bureau of Land Management Range in Oneida County—14,162 Cows, Calves, bulls, heifers, steers, etc. 25 Horses, 4,500 Sheep, 18,687 Total livestock pasturing on BLM Range located within Oneida County. Actual recorded 1991 Number of Private (Permittees) Owned Livestock Pasturing on U.S. Forest Service Range in Oneida County, 7,551 Total.

At the time the livestock Rancher purchases the U.S. Government range right they must have deeded rights to their own base property that provides feed for the time they are not on U.S. Government Range. Presently U.S. Government Range regulated periods are 4 mos. (see attached Livestock Enterprise Budgets), also with the improvements we do on the range each year it helps the wild life (see attached sheet on deer harvest in our units).

Sincerely,

DEON D. JONES,
SECRETARY, PLEASANTVIEW
Livestock & Grazing Assoc.

SEVEN POPULAR MYTHS ABOUT LIVESTOCK GRAZING ON PUBLIC LANDS

(By Jeffrey C. Mosley, E. Lamar Smith, and Phil R. Ogden)

(Published by the Idaho Forest, Wildlife and Range Experiment Station, College of Forestry, Wildlife and Range Sciences, University of Idaho and the University of Arizona Agricultural Experiment Station, University of Arizona, 1990)

INTRODUCTION

The Bureau of Land Management (BLM) and U.S. Forest Service (USFS) collectively manage 315.8 million acres within the 11 western states: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming (USDI-BLM 1989, USDA-FS 1989). By law, these lands are managed to provide sustained production of multiple, renewable natural resources (FLPMA 1976, NFMUA 1982). These resources include water, lumber, recreation, wildlife habitat, and livestock forage. This report concerns current issues surrounding the harvest of livestock forage on western public lands.

In recent years, livestock grazing on public lands has become embroiled in a flaming controversy fueled by misinformation. The purpose of this report is to provide factual, well-documented information to those people—sportsmen, conservationists, students, teachers, legislators, and others—genuinely concerned about public land livestock grazing. Our goal is to aid and promote decision-making based on factual information, rather than on uninformed perceptions or special-interest propaganda. Specifically, we seek to dispel seven popular myths about livestock grazing on public lands.

Myth 1: Livestock grazing on public lands plays an insignificant role in U.S. cattle and sheep production.

Fact: In 1988, the 11 western states supported 20% (7.5 million) of the nation's total beef cows and replacement heifers and raised 19% (7.5 million) of the nation's calves (USDA 1989). Because 50% of the beef cows in the 11 western states graze at least part of the year on public lands (Gee 1984), public land livestock grazing supported 10% (3.8 million) of the nation's beef cattle breeding herd. Beef cattle production in several western states depends heavily upon public land forage. For example, 88% of the beef cows in Idaho, 81% in Nevada, 64% in Wyoming, and 63% in Arizona graze at least part of the year on public lands (Gee 1984).

U.S. sheep and wool production is even more dependent than cattle production upon public land forage. In 1988, the 11 Western states supported 51% (3.6 million) of the nation's total stock ewes and raised 48% (3.5 million) of the nation's lamb crop (USDA 1989). In 1987 (the most recent year from which data are available), the 11 western states also produced 52% (44.6 million pounds) of the nation's shorn wool. Although the exact percentage of western sheep that graze public lands is not known, 30–40% of the sheep within the 17 western states, which include Texas and the Great Plains, harvest public land forage (Gee and Madsen 1983). Because little public land exists in Texas and the Great Plains, sheep dependence in the 11 western states likely exceeds 40%. Calculations using the conservative 40% dependency figure reveal public land grazing supports 20% (1.8 million) of U.S. stock sheep and produces 21% (17.8 million pounds) of U.S. shorn wool. This is not an insignificant contribution.

Without public land grazing, nearly all of the 2.8 million sheep and 7.5 million cattle that utilize public lands—or 47% of all the beef cattle and stock sheep that graze in the 11 western states—would be eliminated. This is because livestock grazing on public lands is usually wholly integrated with livestock grazing on private lands. Summer ranges in much of the West are commonly located on public lands in mountainous terrain that is covered with snow during the winter and can be grazed only in summer. Winter ranges are at lower elevations, often on private lands, where winter storms are less severe. In the Southwest, grazing may be year-round on public lands, with the seasonal movements of livestock dictated by availability of drinking water. These water sources are often located on private lands. In the more northern latitudes, livestock must be fed hay during winter, hay that is grown on the lower elevation private lands during summer when livestock are grazing higher elevation public lands.

Consequently, the use of private and public grazing lands in the West is often entirely independent. While only a portion of a livestock herd's yearly forage needs may be supplied by public lands, the public lands serve as "critical habitat" because there is no available substitute (CAST 1986).

The significance of public land forage to U.S. cattle and sheep production is often misinterpreted when people learn that only 1% of the sheep and cattle (beef and dairy) feed consumed in the U.S. is supplied by public lands (calculated from USDA 1989, USDA-FS 1989, USDI-BLM 1989). But this percentage is based upon the total amount of feed consumed by all cattle and sheep, including feed consumed in feedlots where older, larger animals are fed heavy rations to reach slaughter weight. Public lands supply a small percentage of the total feed consumed partially because their primary product is small livestock—lambs and beef calves—that do not eat as much as older, larger animals.

The true significance of public land forage is that it provides an integral feed source for producing the initial inputs (i.e., calves and lambs) into the beef and sheep production cycles. After weaning, lambs and calves from public land-dependent ranches are shipped elsewhere for further grazing or feeding to slaughter weights (largely in Texas, Oklahoma, Nebraska, and eastern Colorado), where they consume large quantities of feed. The livelihoods of many Great Plains and Midwest ranchers, feedlot operators, and meat packers depend upon the continued supply of calves and lambs raised on ranches dependent upon public land forage.

Myth 2: Livestock grazing on public lands makes an insignificant contribution to the U.S. economy and the western livestock industry.

Fact: Beef cattle and calves grazing in the 11 western states were valued in 1988 at $7.7 billion, or 20% of the nation's total value of beef cattle not in feedlots (USDA 1989). Because 50% of the beef cattle that graze in the West utilize public land forage (Gee 1984), public land-dependent cattle are worth $3.8 billion. In 1988, stock sheep and lambs in the 11 western states were valued at $398 million, or 49% of the nation's total value of stock sheep (USDA 1989). Because at least 40% of western sheep utilize public land forage (Gee and Madesen 1983), public land-dependent sheep are worth $159.2 million.

In addition to the $4.0 billion invested in sheep and cattle that graze public lands, an annual value of production is also derived from these animals. The 1986 annual value of production from all grazing beef cattle and stock sheep in the 11 western states was $3.3 billion, or 21% of the nation's total annual value of production from grazing beef cattle and stock sheep (USDA 1987). In 1986, cattle and sheep relying on public lands produced an annual value of over $1.6 million. For several western states, the value of public land livestock production is an important component of the state economy. For example, beef cattle production dependent upon public land forage comprises 2.0% of Montana's and 1.9% of Idaho's gross state product (USDA 1987, USDA-BEA 1988). Similarly, Wyoming and Nevada derive 1.2% and 0.4%, respectively, of their gross state product from cattle that use public lands (USDA 1987, USDC-BEA 1988). These "small" percentage of gross state product, however, do not indicate an insignificant contribution. For comparison, Kansas derives 1.7% of its gross state product from wheat production, corn production comprises 1.0% of Illinois' gross state product, and Florida receives 0.4% of its gross state product from oranges (USDA 1987, USDC-BEA 1988). These figures reveal that cattle grazing on public lands plays a vital role in the economies of several western states. Public land-dependent cattle are more important to both Idaho and Montana than wheat is to Kansas; more important to Wyoming than corn is to Illinois; and equally important to Nevada as oranges are to Florida. It should be noted that the above economic values relate only to cattle and do not include the additional contributions from public land-dependent sheep and wool productions.

Myth 3: Low federal grazing fees encourage excessive numbers of livestock on public lands.

Fact: Just as the federal government collects fees for camping in public land campgrounds, the BLM and USFS collect grazing fees from ranchers whose cattle and sheep harvest public land forage. The number of animals that ranchers are allowed to graze is determined by the BLM and USFS. Professionally trained BLM and USFS personnel also specify when and where grazing can occur (USDA-FS and USDI-BLM 1986). The number of livestock permitted is based upon the land's capacity to support grazing livestock, as determined by ecological characteristics such as soil type and precipitation received, and with consideration of other natural resource uses and values. Because grazing fees do not affect a unit of land's ecology, grazing fees cannot affect the land's grazing capacity, nor the number of animals permitted to graze. The grazing fee is a political and economic decision made by Congress, whereas grazing capacity is an ecological decision made by the BLM and USFS. Current grazing fees can affect actual numbers of animals grazed on public lands only if grazing fees become unaffordable to permittee ranchers, thus forcing them out of business.

Myth 4: Federal grazing permittees receive an unprecedented subsidy because BLM and USFS administration of livestock grazing permits costs the federal government more than is generated by grazing fees.

Fact: BLM and USFS administration of grazing permits costs the federal government more than is currently generated directly by grazing fees. But the difference is less than commonly perceived. A BLM study determined that only 68% of the total costs of the BLM's rangeland program relates to livestock grazing (USDA-FS and USDI-BLM 1986). The remainder of the budget covers legislatively mandated requirements for basic rangeland conservation. These duties include providing baseline vegetation inventory data and monitoring the ecological condition of public lands. In 1983, the cost of these non-livestock activities was $17.6 million (USDA-FS and USDI-BLM 1986). Additionally, without livestock grazing, the federal government would be forced to absorb the permittees' costs for maintaining and replacing water developments that benefit wildlife and wild horses and burros. These annual permittee costs were estimated to total $5.7 million in 1983 (USDA-FS and USDI-BLM 1986). When both the non-livestock grazing costs and the water development maintenance costs are accounted for, only 58% of the BLM's range management program costs relate to administering the livestock grazing program. Thus, in 1983 the BLM would have spent $23.3 million for conservation of public grazing lands and $32 million administering the grazing program. In turn, the BLM collected $16.7 million in grazing fees, resulting in a $15.3 million net expenditure for its livestock grazing program. A grazing fee of $2.44/AUM[1] would have precluded the need for any federal subsidy (USDA-FS and USDI-BLM 1986).

In 1988, the USFS spent $32.8 million on its range management program. If the USFS and BLM spend a similar percentage of their range management funds on livestock grazing (i.e., 58%), then in 1988 the USFS spent $19 million administering its livestock grazing program while receiving $8.7 million in grazing fee receipts (USDA-FS 1989). This difference resulted in a $10.3 million expenditure by the USFS to administer its livestock grazing program.

Livestock grazing is not the only public land activity that costs more to administer than is generated by user fees. For example, in 1988 the USFS operated its wildlife and fish habitat management program at a net loss of $47.4 million and its recreation program at a net loss of $89.4 million (USDA-FS 1989). These deficits constitute an astounding subsidy of $136.8 million to campers, hikers, photographers, bird watchers, hunters, fishermen, white water rafters, and others (Fig. 1).

[Chart not reproducible in the RECORD.]

Myth 5: Public land grazing fees are low relative to private land lease rates, thus providing federal grazing permittees a subsidy and an unfair economic advantage over nonpermittee ranchers.

Fact: Ranchers leasing private lands usually pay more per AUM than the amount paid by public land permittees. For example, in 1982 the public land grazing fee was $1.86/AUM, whereas the average private lease rate for nonirrigated grazing land in the West was $7.43/AUM (Brokken and McCarl 1987). However, this disparity does not result in an unfair economic advantage for permittee ranchers. A recent study by the U.S. Department of Agriculture's Economic Research Service found that for western cow/calf enterprises there was no significant difference in net receipts between permittees and nonpermittees (USDA-FS and USDI-BLM 1986).

There are two main reasons why the difference between private and public grazing fees does not provide an economic advantage for federal permittees. One reason is that federal permittees incur greater operating expenses for items such as transportation and herd management. For example, in Idaho in 1982, total non-fee costs averaged $14.59/AUM on public lands compared to $7.54/AUM on private lands (Obermiller and Lambert 1984).

The second reason why public land grazing fees do not provide federal permittees an economic advantage is that federal permittees incurred extra costs when they acquired their ranch properties. That is, when permittee ranchers bought their ranch properties, they paid for the land's increased value (either through capital outlay or increased inheritance tax) that was gained from having a public land grazing permit assigned. The value of the grazing permit was capitalized into the value of the private ranch property and paid by the permittee in the form of interest (or in opportunity cost associated with the use of equity capital if no money was borrowed to purchase the ranch property). This financial reality exists for almost all federal permittees because from the time public land grazing permits were first assigned to individual ranches, largely from

[1] An AUM (Animal Unit Month) is the amount of feed or forage required by one mature cow or the equivalent for one month.

1905–1940, almost all ranch properties have transferred to new owners (Nielsen and Workman 1971).

While the BLM and USFS do not formally recognize permit value as an entitlement to permittees, the increased value of a ranch due to its grazing permit is recognized by other branches of the federal government. For example, the Internal Revenue Service taxes the value of the grazing permit, and banks insured by the Federal Deposit Insurance Corporation accept the value of grazing permits as collateral for loans (Rimbey 1989).

It also is important to remember that from the inception of U.S. land policy, the federal government did not administer its lands as an ordinary proprietor seeking to sell products (e.g., timber and forage) at the highest possible price. Rather, these products were initially offered either free or at very low prices to encourage citizens to settle and develop the West. Just as land was given to railroad companies in return for establishing transportation routes, grazing permits were given to ranches in return for citizens risking their lives and capital to establish a tax base for schools and local governments (Dana and Fairfax 1980). Continued existence of ranching operations that harvest public land forage remains official U.S. policy (FLPMA 1976, MFMUA 1982).

Myth 6: Livestock grazing on public lands is causing the ecological condition of these lands to deteriorate.

Fact: Public lands were severely abused in the late 1800's and early 1900's due to improper livestock grazing. In some locations, soil and vegetation are still recovering from these past abuses. Also, improved livestock grazing management is needed even today in many areas. But generally, public lands are currently in the best condition that they have been in this century, and the improvement is continuing.

Eighty-eight percent of USFS lands and 79% of BLM lands are either improving or stable in ecological condition (the trend is undetermined on an additional 6% of BLM lands) (SRM 1989). Similarly, 76% of the 44.6 million acres of USFS land suitable for livestock grazing have a satisfactory livestock forage resource value rating (SRM 1989). A satisfactory rating means that current management practices adequately protect the soil and are acceptably maintaining or improving plant species composition and production.

Descriptions of the percentages of land within various ecological condition classes are difficult to understand and interpret. Traditionally, the BLM and USFS have described ecological status in terms of four or five range condition classes: "excellent," "good," "fair," "poor," or "very poor." These classifications reflect comparisons between a site's existing vegetation (i.e., which plant species are present and their relative amounts) and what the site could potentially support if natural plant succession progressed unimpeded through time. An "excellent" rating meant the existing vegetation closely resembled its natural potential, whereas a "poor" rating meant the existing vegetation was very dissimilar to its natural potential. Traditional range condition ratings are not, by definition, formulated to describe whether current management is successful, but merely to characterize a site's vegetation relative to its natural potential.

Unfortunately, some persons have concluded that "fair" or "poor" ratings are synonymous with unsatisfactory, implying that current management practices need to be changed. This may or may not be true, depending upon which plant species and relative amounts are desired on a site. Often multiple uses (e.g., wildlife habitat, camping, hiking, livestock grazing) are best provided when a site's vegetation is very different from its natural potential composition. For example, deer forage is usually maximized on a site when shrubs and forbs are abundant, rather than perennial grasses. But if such a site's natural potential were abundant perennial grasses, its existing vegetation would be judged very dissimilar from its potential. Accordingly, this site would be reported in a "lower" condition class (e.g., "fair" or "poor"), even though the site may currently support the desired plant species in the desired relative amounts.

The misinterpretation of range condition ratings has prompted the BLM and the USFS to change their methods of reporting ecological condition. While not perfectly synonymous, the traditional terms "excellent," "good," "fair," and "poor" are being replaced by the more appropriate terms "potential natural community (PNC)," "late-seral," "mid-seral," and "early-seral." These new terms better describe a site's existing vegetation relative to its natural potential and do not inject subjective bias as do qualitative terms such as good or poor.

The USFS has adopted the new terms, while the BLM has begun the conversion but currently still reports the traditional ratings. In 1987, the ecological status of USFS lands suitable for livestock grazing was rated as 15% PNC, 32% late-seral, 38% mid-seral, and 15% early-seral (SRM 1989). In 1988, ecological status of BLM lands was rated as 4% excellent, 30% good, 38% fair, 17% poor, and 11% unclassified (USDI–BLM 1989).

Myth 7: Livestock grazing on public lands is causing a decline in big game populations on these lands.

Fact: Livestock grazing occurs on about 93% of BLM lands in the West (USDI–BLM 1989), and big game populations on these lands are steadily increasing. In the 11-year period from 1977-1988, the total big game population (includes barbary sheep, bear, bighorn sheep, bison, caribou, deer, elk, javelina, moose, mountain goat, and pronghorn antelope) grew from about 1.5 million to 1.9 million, a 31% increase (USDI–BLM 1978, 1989). Pronghorn antelope increased from about 199,000 in 1977 to 296,000 in 1988, a 49% increase. Deer (includes black-tailed, mule deer, and white-tailed) increased from about 1.2 million to 1.4 million, a 25% increase. Elk increased 38%, from about 104,000 to 143,000.

Big game populations on USFS lands in the West also are increasing, while 32% of USFS lands in the West are classified suitable for livestock grazing (SRM 1989). From 1977 to 1984 (the most recent year from which data are available) the big game population grew from about 2.5 million to 2.6 million (USDA–FS 1977, 1984). Pronghorn antelope numbers grew from about 49,000 to 58,000, a 16% increase over 1977 levels. Deer increased 1% to 1.9 million, and elk numbers grew 8%, from about 429,000 to 464,000.

SUMMARY

Western public lands are managed to provide the U.S. with sustained production of multiple, renewable natural resources. Products include water, recreation, lumber, firewood, open space, and forage for wild and domestic animals. The continued harvest of domestic livestock forage has become embroiled in controversy, a controversy fueled by misinformation and myth. Future discussions of public land livestock grazing policies should be founded upon facts, including these seven facts about livestock grazing on public lands:

1. Livestock grazing on public lands plays a significant role in U.S. cattle and sheep production.
2. Livestock grazing on public lands makes a significant contribution to the U.S. economy and the western livestock industry.
3. Low public land grazing fees do not influence the number of livestock allowed to graze on public lands.
4. The public land livestock grazing program costs the federal government more than is generated by grazing fees, but even larger "subsidies" exist for other public land management programs, including wildlife and recreation.
5. Federal grazing permittees do not have an economic advantage over non-permittee ranchers.
6. Ecological conditions of public lands are improving in the presence of regulated livestock grazing.
7. Big game populations on public lands are increasing in the presence of regulated livestock grazing.

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Mr. SYMMS. I yield the floor. I thank my colleagues.

Mr. WALLOP. I yield 3 minutes to the Senator from Utah.

The PRESIDING OFFICER. The Senator from Utah [Mr. HATCH] is recognized.

Mr. HATCH. Mr. President, I rise in strong opposition to the amendment offered by the Senators from Vermont and Ohio. This effort to substantially increase the grazing fee without the benefit of committee review is very troubling to me and I believe it is indicative of an alarming lack of understanding of the vital link between the land and the economic well-being of the Western United States. Everything we have comes from the land. Oil and gas, minerals, food, fiber, and timber are the building blocks of our society and are essential to our survival. This amendment, if passed, will cripple the land-based economies of hundreds of small Western communities and signal the end of a unique American way of life.

Obviously, any decision concerning the management of public lands is going to be of great interest to those of us from the West. Westerners are the ones who must live with the effects of new land management policies. However, we often find the fate of our region is being determined by people who do not live there and have no stake in the outcome of the decisionmaking process.

Unfortunately, the human cost of many of these decisions is not apparent to those who live far from the affected areas. They never comprehend the enormous impact that their decisions can have on the people who make a living on our public lands.

Mr. President, approximately 27,000 livestock operators graze cattle and sheep on Western Federal lands, managed primarily by the Bureau of Land Management and the U.S. Forest Service under the multiple-use principle. Most livestock operations are small, family-owned farms and ranches that are economically dependent upon the use of public lands for livestock grazing. The Federal land management agencies closely regulate grazing practices, season of use, and number of livestock.

In addition, grazers or permittees must pay a grazing fee to graze livestock on the Federal lands, and I believe that fee is fair. The Federal grazing fee is determined by a formula set by Congress in 1978 with bipartisan support, including that of the Carter administration. The formula was later extended by President Reagan by Executive order and has since been upheld in Federal court. The current fee is based on market conditions and goes up or down depending on three market variables that are measured by the Government each year: private lease rates, beef cattle prices, and production costs in 11 Western States.

News story coverage of the grazing fee controversy commonly deals only with the fact that the private grazing fees greatly exceed those charged on Federal rangelands. This leads to a seemingly obvious conclusion that Federal grazing permittees are being subsidized. But, Federal grazing fees are only a small part of the total costs paid by ranchers who graze livestock on public lands.

All Federal permittees must bear many nonfee costs for which a counterpart on private land is not responsible. For example, the expenses associated with the construction and repair of improvements, such as fences and corrals; revegetation; livestock doctoring; herd supervision; gathering; moving; salting; water hauling and pumping; supplemental feeding; resource harvesting; noxious weed control; pest control; parasite control; and predator control are all the responsibility of the permittee.

Whether or not Federal agencies recognize the nonfee costs associated with grazing on public lands, those nonfee costs must be paid by ranchers and they must be calculated into the total costs of public rangeland grazing and in the comparison to private lease rates. Average nonfee costs for public land grazers in Utah through January 1990 total $12.48 per animal unit month according to a study prepared by Dr. Darwin Nielson, professor of economics at Utah State University.

Combined with the 1991 grazing fee of $1.97, the total of grazing livestock on public lands in Utah in 1991 is $14.45. By contrast, the nonfee costs for average private land grazing in Utah are $10.41, which must be added to the private lease rate and this totals $14.76. Therefore, it can be readily seen that total costs of public land grazing in Utah are comparable to total costs of private grazing leases. And this was also true in 1990, a year when private grazing lease rates were driven much higher due to severe drought conditions in the West. In more normal times, the total cost of grazing on public lands would likely be higher than on private lands.

This amendment clearly fails to comprehend the real-world operating costs of Federal permittees. The Western permittee faces obstacles that are unique to grazing on the Federal land. I believe that no discussion of this issue can be credible without this realization. Factors such as higher mileage to and from base property and the ranges, shorter growing seasons, higher death losses, frequent changes in BLM and Forest Service management personnel and policies, frequent instances of significantly lower quality forage, competition with wildlife, and other multiple-use management plans compound the problems faced by the permittee.

Mr. President, Utah's livestock industry is highly dependent upon public land for grazing forage, for both winter and summer feed. Utah is a State dominated by public land, with 69 percent of the State area in Federal ownership and an additional 11 percent in State ownership. In a normal year, an estimated 70 percent of Utah's 800,000 beef cows and calves and 500,000 sheep and lambs spend at least part of the year on public lands.

Most Utah ranchers are small family-owned cattle and sheep operations that use and depend on both public and private lands. The average gross income per livestock operator was $33,000 in 1988 with an average net income of $7,538 per operator. In fact, more than 50 percent of Utah ranchers also work off-farm jobs to help pay the bills.

I think it is obvious that in order to stay in business, the Utah rancher must have access to the public land and at reasonable cost. However, it will be argued by its proponents that this amendment is an attempt to ensure that ranchers pay a fair price for the use of the public lands. Ironically, this amendment and this effort to add it to an Interior appropriations bill is anything but fair. What is fair about bypassing the authorizing committee and any opportunity to thoroughly examine the amendment? What is fair about avoiding an opportunity to receive input from the individuals that will be economically destroyed if this amendment passes? What is fair about an amendment that ignores the input of the Federal agencies responsible for the management of these lands?

Mr. President, this amendment has nothing to do with fairness, but is, I believe, an effort to eliminate one of the most historic and legitimate uses of Federal lands—that is the grazing of cattle and sheep on millions of acres of public lands. If the supporters of this amendment are really interested in fairness, the amendment would be withdrawn and sent to the authorizing committee for full review and consideration.

Mr. President, the imposition of higher grazing fees will have a very serious impact on communities all over the West. The importance of the livestock industry to these Western communities can not be overstated. The livestock industry in the 13 Western States represents 2.4 million head of

cattle and 5.8 million sheep. In 1987, cash receipts from cattle and calves in these States totaled $9.2 billion, and receipts from sheep and lambs totaled $339 million. Byproducts such as wool, hides, and medication such as insulin from animal organs also contribute to the overall economy. The multiplier effect in terms of personal, county, and State income, purchasing power, and direct and indirect employment is clearly of major economic significance to individuals, families, local dependent communities, and the entire Western region.

The livestock industry plays a vital economic role in the State of Utah. More than $500 million in wages can be directly and indirectly attributed to beef cattle production, primarily in range livestock operations. More than 40,000 Utah jobs are tied to range cattle production. In many of the rural counties of the State, range livestock is virtually the sole agricultural enterprise. Agriculture constitutes from 35 to 40 percent of the local economic activity in some areas.

If Utah's ranchers and farmers go out of business or are forced into bankruptcy, the impact on our small communities will be devastating. There will be a ripple effect in the community on businesses and individuals who depend on the predominantly agricultural economic base. These disruptions and dislocations will place additional demands on rural social and health services.

Before I close, I would like to read excerpts of a letter that I recently received from Dr. Duane Blake of St. George, UT. Our State is 67 percent owned by the Federal Government. We have myriad problems. He sums it up for the cattlemen in Utah and all over the entire mountain West. Mr. Blake is typical, in my opinion of cattlemen in that area. I think it would be helpful to hear his concerns.

DEAR SENATOR HATCH: I am a third generation rancher, operating in Southwest Utah and Northwestern Arizona. My son joined the operation in 1986, making four family generations grazing livestock on public lands.

Our ranch consists of approximately 900 acres of private land and nearly 65,000 acres of public lands. The private lands are at an elevation of 8,000 feet and can only be used for the summer grazing. As you can see, our very existence in ranching is dependent upon the use of public lands grazing. Not only would we be out of the livestock business without the use of these public lands, we would also see the value of our private lands decrease significantly as well.

There are approximately 48 miles of fence, 17 dirt water tanks, 11 miles of pipeline, 1-50,000 gallon water storage tank, 1-80,000 gallon and 2-25,000 gallon steel water storage tanks, and many miles of roads that are used and maintained in connection with the ranch. These capital improvements that the rancher has made in the past will cease, until there is some stability and security in the grazing fee structure. We cannot operate in the future as we have in the past, not knowing if we will be in business from one year to the next.

These proposed fee increase represents a worst case scenario for the rancher. He will have to walk away from the federal lands without any kind of reimbursement for the thousands of dollars he has expended for all the range improvements he has invested in. This mass exodus from the federal lands will cause economic hardships to rural counties in the West, threaten the existence of schools, businesses, public services, and our agriculture lending institutions.

I am proud of my heritage as a third generation rancher, proud of the ranchers' commitment to good range management, proud of the accomplishments of the rancher in improving forage conditions and the construction of range improvements for both livestock and wildlife.

However, I am not without my disappointments. I am disappointed that I did not show a profit for 4 years out of the last 11. Disappointed that our lending institutions have forced liquidations of ranchers that have been a part of this great industry for several family generations. Disappointed that Congress ignored the facts and extra costs associated with public land grazing. Disappointed that there are those that cannot see that the present grazing fee formula is an equitable fee for both the rancher and the federal government.

No, the grazing fee is really not the issue, it goes far beyond economics, it is a land use issue pure and simple. A way to remove livestock grazing from the federal lands. This proposed fee structure will erase the value of the grazing permits, but it will never erase the time, sweat, hardships and memories we have invested in these lands.

Mr. President, public lands livestock grazing constitutes a critical part of our western lifestyle and provides many important environmental, economic, social, and cultural benefits to all Americans. Whether intended or not, passage of this amendment will inevitably force ranchers out of business, devastate families, hurt rural economies, and destroy a distinctively American way of life. A way of life that has been part of Utah for the last 140 years. A way of life that typifies the struggles that our forefathers made in settling this country. A way of life that represents many of the positive values that this country stands for: hard work, self reliance, sacrifice, and love of the land.

A decision that will have such disastrous consequences should not be considered without a thorough review by the appropriate oversight committee. This amendment is not worthy of our consideration at this time and I urge my colleagues to oppose it.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. Will the Senator yield me 3 or 4 minutes?

Mr. JEFFORDS. Mr. President, I want to bring this to the attention of the Senator from Utah:

Be it resolved that the Utah Cattlemen go on record in support of a grazing fee formula that retains the $1.23 AUM base determined in the 1966 grazing fee study and that this base will be adjusted annually by the forage value index [FVI] currently used to determine fee levels.

Using this formula, the 1990 fee would have been $1.23×2.43=$2.99 per AUM. $2.99 is higher than we raise ours. I wanted, in fairness, to make the Senator from Utah aware of that. We have a copy of the officer resolution, which the association passed December 5-7, 1990, at its 72d annual convention.

I am happy to yield 4 minutes to the Senator from Ohio.

Mr. METZENBAUM. Mr. President, the tears are flowing copiously, and all of our handkerchiefs are out for the poor little cattle ranchers, but the fact is, that is not the issue here. The Bureau of Land Management, which is charged with managing millions of acres of rangeland in the West, has provided a list of the top 300 grazers. The top 300 permittees control 90 percent of the BLM acreage in the West.

Who are they? They are not mom-and-pop people. They are your oil companies: Getty Oil; Union Oil; Texaco; John Hancock Mutual Life Insurance Co; Pacific Power; Utah Power & Light; Koch Industries Matadore Ranch; Zenchicu Land & Livestock of Japan, a Japanese-based meat company that leases 41,000 acreas of federally subsidized ranchlands in Montana; David Packard of Hewlett-Packard; George Gillette, the man who owns Vail, Colorado's Globetrotter Communications, and a television empire that is very large.

Recently, Fortune magazine published its list of wealthiest Americans. According to Fortune, there are 96 billionaires in the United States and 4 of them hold subsidized grazing permits: Charles Koch and David Koch of Koch Industries, David Packard, and Gordon Peter Getty.

So I say do not tell us about the little cattle rancher, those poor mom-and-pop ranchers that will be destroyed by reason of this amendment. The fact is they will not be. But the real fact is that 90 percent of this subsidy is going to 300 of the wealthiest people in this country. It just does not make sense. It is time to put a halt to it. I reserve the remainder of my time.

Mr. JEFFORDS. Mr. President, I yield 5 minutes to the Senator from Tennessee.

Mr. GORE. Mr. President, I compliment my colleague from Vermont and my colleague from Ohio for bringing this amendment forward. I think we do need a public lands policy that curtails nonsustainable uses of public lands. However, I think we must recognize that the current land policy is a result of years of complex decisions that do affect families throughout the West.

Regardless of whether or not some of the wealthiest citizens in our country own a lot of these rights, it is undeniably true that a lot are owned by families, as well. This will impact a lot of people who are hard working and will suffer during the transition, if it is too

harsh. I think we have to evaluate that impact and make the transition in a way that is sensitive to the impact that it has on these people, as well as on the environment.

There are hundreds of land permittees that go to extremes to be good stewards of the land. They open their own private land to the diverse wildlife that roams the West, make improvements on the leased public lands, and as I have often said, have preserved and enhanced the land in order to hand it down to the next generation.

These people, and their grandparents before them, entered a lifestyle and invested in the private lands with the understanding that public lands would be available to them for lease. In many cases, the other private land is not available for leasing.

I do not join the ranks of those that say that most of the ranchers in the 16 affected States are simply getting rich off of the Federal Government. For these reasons, I have not been comfortable with some of the proposals that have been discussed in Congress which would raise the graze per animal unit month, much higher than the raises we are talking about here today.

But the Jeffords-Metzenbaum approach, in my opinion, does strike the appropriate balance and begins to move us in the direction I believe we need to go in. We need to preserve and protect our communities, and we need to preserve and protect the environment for those who live in our communities and on the land in the future. This amendment moves us toward that objective.

This is an issue which I think also ought to be looked at in a worldwide context. We are sometimes used to looking at the environmental damage that is done all over the world, in the Soviet Union, or Eastern Europe, or in the Amazon, or in the Arctic, in Antarctica, but right here in our country some tremendous damage is being done.

It is all too easy for those of us in this generation, the people who are alive today, to be partially blind to the consequences of what we do in our lifetimes for the opportunities available to those who will be on the same land in future generations. And so when we look at the management of the land that is entrusted to us, where these public lands are concerned, we ought to insist that it be used in a way that does not degrade the opportunity of future generations to also use that same land.

Worldwide, every year, 24 billion tons of topsoil are lost all over the world. That is an amount equal to all of the topsoil in the wheat areas of Australia. It is not a negligible amount. It is being lost primarily because those of us alive today are too frequently ignoring the consequences of what we do for future generations.

This amendment begins to address a significant factor, which degrades land here in the United States that is public land which is being leased at rates far, far below the market price for comparable private land, where it is available. We have seen haunting pictures from around the world from areas that have been mismanaged, where the topsoil has all been washed away, and where the problems have been ignored for too long. We have a responsibility to address that problem here at home.

According to a report prepared for the U.N. environment program, some 85 percent of the rangeland in the Western United States is being degraded today, and overgrazing is the chief contributing cause.

We have just seen a great victory of free market principles and democracy in the world. As we face the environmental problems here and around the world, we have to have the courage to use those free market principles to insist on stewardship of the land. This is a transition approach, not nearly as extreme as some propose. I think it definitely moves us in the right direction. We need to be sensitive to the impact, but I strongly believe that we should support this Jeffords-Metzenbaum amendment.

The PRESIDING OFFICER. Who yields time?

Mr. WALLOP. Mr. President, I yield myself 30 seconds to say two things. It is typical of the Senator from Ohio that in order to retain his position for 200 or 300 users he would ignore the consequences on 31,000 people.

I say to my friend from Tennessee I understand his view on this. If you have problems with overgrazing, the way to solve them is through management, not by driving the people off that land—which is the consequence of this amendment.

I yield 2 minutes to the Senator from New Mexico, [Mr. BINGAMAN].

Mr. BINGAMAN. Mr. President, I thank my colleague yielding time to me.

Mr. President, I rise to express my opposition to the Jeffords-Metzenbaum amendment to increase grazing fees on Federal land. I believe it is an arbitrary and ill-considered approach to the very complex issue of multiple resource use on public lands. Livestock grazing is one important activity under the multiple use philosophy that guides public land management today. I believe that in order to maintain that use, we need to retain the formula that has served western communities so well until evidence of long-term economic and environmental impacts is available and considered.

While it is true that some public rangelands are in an unsatisfactory condition. This is an historical problem, partly fostered by Government policies no longer practiced. Raising grazing fees is not the way to solve this problem. Particularly, it is not the way to solve that problem on this appropriations bill.

The authorizing committee I believe needs to look at this issue. We need to find a permanent solution to this problem which is satisfactory to all which can allow the ranching industry in the West to continue to survive and, hopefully, to prosper and thrive in the future years.

Mr. President, I think arguments have been made very well by the Senator from Wyoming and others as to the concerns that we have about this legislation.

Without the benefit of studies of all of the impacts of this action, the dramatic rise in fees that this amendment proposes would simply shatter the already fragile rural economies of the West. Ranching is critical for sustaining our rural western communities, and ranching in the West is dependent on grazing on public lands.

For example, I am concerned, Mr. President, that my colleagues from Vermont and Ohio may not fully appreciate the implication of what they propose for small towns in my home State. The payments that states receive in lieu of taxes, payments which compensate these States for the tax revenues lost because of nontaxable public land, are vital for schools and roads in western counties. These payments are calculated based on the return to the Federal Government of all economic activities on public lands. If grazing fees on public lands are raised, hundreds of ranches will go under. This means that the payments to communities, which are based on the productivity of the land, will diminish—leaving western counties stranded.

It is impacts like this which need to be fully discussed and understood before any raise in fees should be considered. And, the relevant authorizing committees are the place for this discussion. There, long-term impacts to the environment, to ranchers, and to their rural hometowns can be fully considered and a long-term solution can be reached.

In my home State of New Mexico, the vast majority of the men and women that have grazing permits on Federal land are small ranchers. In fact, about three-fourths of New Mexico ranchers run less than 100 head of cattle. They do their best to take care of the land on which their livelihood depends. These are not rapacious corporations. They are hard working men and women, who are already pushed to the financial edge. The smaller the ranching operation, the tighter the break-even point for the rancher. As labor, insurance, and other costs rise, many ranchers get very close to that point. Punishing these people, through unreasonable increases in grazing fees, for the drought conditions that have plagued the West for over 5 years, and for poor range management policies no longer practiced, will not solve the problems of the range.

What we need, Mr. President, until this issue can be fully considered in the relevant authorizing committees, is for the Bureau of Land Management and the Forest Service to work in partnership with our ranchers, to devise creative solutions to the environmental conditions that challenge the West. In order to do so, they need greater resources. They need to put more people in the field to work with the ranchers. Raising grazing fees will put ranching families out of business, while serving no demonstrated environmental purpose.

Mr. BINGAMAN. I yield back the remainder of my time.

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

The PRESIDING OFFICER (Mr. ADAMS). Who yields time?

Mr. JEFFORDS. How much time do I have remaining?

The PRESIDING OFFICER. Eight minutes and twenty seconds.

Mr. JEFFORDS. I would like to reserve 3 minutes for closing; thus I will yield myself 5 minutes.

Mr. President, I would like again to get back to the facts. I want to introduce into the RECORD—and I will take some time to introduce them in the RECORD—some documents here because we whould be concerned with the facts. We all had nice, emotional statements, but I think it is appropriate we get into the RECORD some very important documents to support our position.

The first document I will put in the RECORD now is my offer of compromise which comes from the economist, Dr. Frederick Obermiller of Oregon State University, dated September 4, 1991. I will ask that that be printed in the RECORD.

I will also ask that pages 7 and 8 of the 1986 fee study of the Department of the Interior and USDA be placed in the RECORD. It sets out certain statistical information on BLM and Forest Service expenditures.

I will ask the Forest Service issue paper for Congressman REGULA relative to my amendment dated July 1991 be printed in the RECORD.

Also, I ask that another one from the BLM to Congressman REGULA be part of the RECORD and a letter from the Department of Agriculture to me involving my amendment, which basically states that a modification I was going to offer would be difficult to implement because the agency has so little knowledge about who holds the permits. The agency said that if I were to try to hit the bigger holders of AUM's only, the agency could not figure out who they are.

Also, I ask that a similar letter from the BLM dated August 15, 1991; the letter from the Independent Cattlemen's Association of Texas, dated April 11, 1991, supporting my amendment; the letter from the Southern Utah Wilderness Alliance, and other taxpayer and environmenal groups supporting my amendment be inserted in the RECORD. I ask further unanimous consent that chapter 2 of a report dated February 1986 from the Secretaries of Agriculture and Interior and other sections and another report of August 1986 "The Cost of Subleasing Federal Grazing Privileges", the Colorado State University study that we have referred to, be printed in the RECORD; also certain newspaper articles and letters; also excerpts from GAO's June 1991 report, a report requested by Congressman SYNAR, which backs up all the matters we have been discussing here today. These are not lengthy documents.

Mr. President, I ask unanimous consent to print in the RECORD the material to which I have referred.

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

ELEMENTS OF A GRAND COMPROMISE

(By Frederick W. Obermiller, Oregon State University, September 4, 1991)

The legislation and regulations governing the operations of the range programs of the Forest Service and the Bureau of Land Management make it clear that stability and conservation are primary public rangeland policy objectives. The preamble to the Taylor Grazing Act reads as follows:

"To stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; to stabilize the livestock industry dependent on the public range."

The permitting and commensurability systems were implemented by the two Federal land management agencies to achieve these public rangeland policy objectives. The grazing fee issue, however, was left to the discretion of the Secretaries of Agriculture and the Interior.

We all know the subsequent history. Uncertainty regarding the future price of public rangeland (the grazing fee), coupled with increased management and policy emphasis on environmental services thought by some to be incompatible with livestock grazing, is a spreading plague undermining the stability of the Western livestock industry and the "orderly use, improvement, and development" of those rangeland resources.

The grazing fee, public rangeland grazing use, competing use, and property value attributes of the Western rangelands are inextricably related. To address them as if they were independent is to fail to achieve a stable solution to the Western rangeland problem. What is needed is a new, comprehensive, and uniformly applied Taylor Grazing Act encompassing the management, use, and pricing of all of the public rangeland resources in all of the 16 Western States. If Congress cannot act with comprehension and foresight, the public controversy will grow increasingly heated, and the quest for stability will be fruitless.

Such an Act may seem unattainable, certainly within the context of the current grazing fee debate. I don't think so, however. If middle ground can be found that results in a principled change in the PRIA formula fee, one generating stability and equality among permittees while addressing the concerns and the valued interests of the environmental community, the unthinkable may just be possible. I have some thoughts to share which I call the elements of a ground compromise, elements that would preserve the spirit of the Taylor Grazing Act while putting the public land livestock grazing controversy to rest, hopefully forever. These elements are as follows:

1. Retain the spirit and principle of cost equality in forage use among permittees and nonpermittees as represented by the $1.23 per AUM in the PRIA formula, and reject the use of the "Appraisal Values" or other arbitrary collar amounts in any adjustment to the PRIA formula.

2. Recognize that the $1.23 base fee is 25 years old, and that the relative cost differential will have changed since then if for no other reason than the prices of the various product inputs have changed.

3. Recognize further that the costs incurred by permittees have changed due to changes in Federal land management agency regulations since 1966, with the primary known change being the shift of maintenance responsibility for range improvements to BLM permittees, resulting in an estimated increase in BLM permittee forage use costs of $1.00 per AUM.

4. Use price indices to update the $1.23 base fee to 1991 prices, resulting in an unadjusted 1991 base of $3.09 per AUM, then deduct from that the proportional effect of the change in FLM maintenance policy. The BLM furnishes on average about 60 percent of the total public rangeland forage in the 16 Western states, implying a 60 cent reduction from $3.09 per AUM, leaving an adjusted base fee of $2.49 per AUM which would be the grazing fee in 1992. All indices used to modify this new base would be given a 1991 index value of 100.

5. Given the larger adjusted base ($2.49 versus $1.23) reduce the "cap constraint" or the amount the fee can change from year-to-year to 10% of the previous year's fee level (the PRIA formula cap constraint is 25%). This would be done in the interest of stability and to promote long term planning, improvement, and maintenance on the part of the permittee.

6. In the interest of equity, and for broader political support, incorporate the five National Grassland states in the new fee system (meaning their fee would be $2.49 per AUM in 1992 as well). This would also be more consistent with the definitions of the 16 Western public rangeland states used in existing public land law (PRIA and FLPMA).

7. Create multiple use advisory groups at the BLM grazing district and the Forest Service ranger district levels with strong permittee representation but also with representation from other rangeland resource interest groups. The responsibilities of these groups would be to assist the local office of the Federal agency in range management and resource development goal setting and in monitoring toward achievement of those goals.

8. Increase the allocation of funds and the commitment of effort toward on-the-ground range improvements with no restrictions on the types of uses or benefits to be created. Benefits could be livestock grazing, wildlife habitat, riparian conditions, or other rangeland resource attributes consistent with the spectrum of benefits (which include livestock grazing) specified in FLPMA.

9. To further encourage improvements and as an incentive for the permittee to assist in making and maintaining those improvements, increase the term of all grazing permits on BLM, National Forest, and National Grassland grazing lands from 10 to 25 years. This would further stabilize the Western

livestock industry because it would increase the permittee's security of tenure. These 25 year term permits would be renewable and could be rolled forward every 10 years, for example, assuming the permittee had been cooperative and had otherwise abided by the terms and conditions of the grazing permit.

10. By legislation, expand the scope of BLM, National Forest, and National Grassland allocations and uses of monies accruing to the Treasury from grazing fee and other rangeland resource user charge receipts to include applied rangeland resource research and education including allowance for contracting with the Western land grant universities for the conduct of those programs.

11. By legislation, set in motion a funded Western Public Rangelands Policy Task Force led by representatives of the Western land grant universities but also with formal representation by the BLM, Forest Service, Economic Research Service, National Agricultural Statistical Service, and Office of Management and Budget to (i) evaluate the new formula and propose changes if needed in the $2.49 base fee, in the indices by which it is multiplied, in the extension of the fee system to other Federal lands on which livestock grazing occurs in the 16 Western states, and in the granting of fee credits when livestock are managed and used to achieve nonlivestock resource improvement objectives; (ii) report its findings and recommendations to Congress not less than five years, and preferably in two years, following the chartering by Congress of that Task Force; (iii) evaluate the source of "permit value" and the allowance, if any, to be made based on that value in future fee and related land management and use policy, again providing Congress with its report and recommendations; (iv) identify the types and values of nongrazing uses of public rangelands and provide Congress with corresponding pricing and/or user charge alternatives; and (v) develop the principles, standards, guidelines, and priorities for the applied rangeland resource research and education summarized in item 10 above.

These things can be done, and could be done immediately. All that is needed is the willingness to cooperate in searching for a solution that is: first, comprehensive; and second, fair to all concerned with or affected by the management of our Western public rangelands. The elements of my "grand compromise" are not exhaustive, but are complementary and could be implemented if all of us have the will.

DOI–USDA 1986 FEE STUDY

While FS and BLM range program costs are separable, they also may be viewed jointly. Combined FS and BLM costs are shown in Figure 1.5.

FIGURE 1.5.—COMBINED BLM AND FOREST SERVICE DIRECT COSTS AND GRAZING FEE RECEIPTS, 1982–83

[In thousands of dollars]

Cost/receipt component	1982	1983
Allotment planning and inventory	$10,547	$8,760
Grazing management	35,854	35,404
Range improvements	15,322	16,744
Total costs	61,723	60,908
Total receipts [1]	31,634	24,756
State/county shares [2]	6,328	4,993
Net Federal receipts	−36,417	−41,145

[1] National Forest and BLM receipts only.
[2] Western States and counties share of Federal grazing fee receipts.

Permittee Investment In Range Improvements: Permittees and lessees may cooperate with improvement investments through contributions of money, time, labor, and materials. The regulations for each Agency provide for private investment, when in the public interest. Permittees, thus, have an opportunity to invest their own capital where they can realize capital recovery and profit on their investments. Forest Service grazing statistical records and BLM's fiscal records (Job Documentation Reports) showed that permittee combined contributions averaged $0.16 per AUM toward range improvement investments during the PRIA trial period. (See figure 1.6.)

FIGURE 1.6.—PERMITTEE CONTRIBUTIONS FOR RANGE IMPROVEMENTS, 1979–83

Agency	1979	1980	1981	1982	1983	Total
Dollars Contributed (thousands):						
BLM	$940	$1,213	$1,237	$1,258	$1,281	$5,930
FS	1,259	1,367	1,531	2,761	1,451	8,369
Total	2,199	2,580	2,768	4,019	2,732	14,299
Dollars per AUM:						
BLM	.09	.12	.12	.12	.12	.11
FS	.20	.24	.23	.25	.22	.21

Both Agencies require permittees and lessees to maintain fences and other structural improvements that benefit livestock on grazing allotments. For the years 1979 to 1983, FS grazing statistical records reported that the National Forest permittees in the 16 Western States spent an average of $0.30 per AUM each year on maintenance of range improvements. (Maintenance expenditures by Forest Service Region are shown in Appendix B, Figure B.7. Similar data are not available for the BLM.)

Permittee cooperation is an essential element in implementing improved grazing management systems. Maintenance of improvements by the range user allows the limited appropriated funds (including Range Betterment Funds) to be used for new construction. This policy allows private investment and hastens the improvement of public rangeland condition.

LAW AND POLICY THAT GUIDE FEES

Figure 1.7 lists the laws that guide the Administration's approach to grazing fees. Several of the laws described refer to fees that are "reasonable." Many ranchers grazing livestock on the public rangelands believe that a reasonable fee must take into consideration the costs of purchasing a public grazing permit (from the existing permit holder) as a reasonable cost of grazing public lands. In 1968, Pankey Land and Cattle Company filed suit against the Secretaries of the Interior and Agriculture, seeking an injunction against the new fees claiming they failed to meet the legal requirement of reasonableness because they failed to consider the costs of the permit. The U.S. District Court for New Mexico held in favor of the Secretaries, ruling that the Agencies had considered all factors "related to the reasonableness of the fees." The courts also ruled that the Government was not obligated to compensate permittees for actions which reduce the permit value.

FIGURE 1.7.—LAWS THAT GUIDE GRAZING FEE POLICY

Date	Law	Policy statement
1978	Public Rangelands Improvement Act.	(BLM and FS) Established a fee on a trial basis, which Congress determined would represent the economic value, of the land to the user. In establishing a fee based on economic value, Congress stated that "to prevent economic disruption and harm to the western livestock industry, it is in the public interest to charge a fee for livestock grazing . . . which is based on a formula reflecting annual changes in the costs of production [and beef prices]."
1976	Federal Land Policy Management Act (FLPMA).	(BLM) Declared that it is a general policy that ". . . the United States receive fair market value of the use of public lands and their resources unless otherwise provided by statute." The FLPMA also required the Secretaries to study the grazing fee issue and in making the study "take into consideration the costs of production . . . differences in forage values, and other factors which relate to the reasonableness of such fees."

FOREST SERVICE ISSUE PAPER

For Congressman Ralph Regula

Topic: Regula Amendment to H.R. 1096 (BLM Reauthorization Bill).

Issue: Recommended Changes to Draft Bill and Fiscal Impact Analysis (Change in Grazing Fee System—Public Lands).

Background: The proposed amendment to H.R. 1096 (BLM Reauthorization) would modify the current grazing fee formula. The proposal would adopt the Modified Market Value Fee System on a westwide basis (1986 Grazing Fee Review and Evaluation report to Congress, pg. 38). The 1983 base value is updated through alternative indexing methods to 1991 values. Language is recommended to clarify the definitions of both the Forage Value Index (FVI) and Appraised Base Value. It is suggested that the FVI be set equal to 100 in 1991, in order to have an accurate method for annually adjusting the base value in the out years.

It is further suggested that the term "Appraised Base Value on a Westwide Basis" be defined as the lowest pricing area value for mature cattle (Price Area 5 value of $4.68 per AUM indexed to 1991). These recommended changes are consistent with the methodology used in the 1986 Grazing Fee Review and Evaluation report to the Congress.

The amendment calls for a 33 percent per year increase starting in FY 1992 and reaching Fair Market Value (FMV) in 1995. Alternative indexing of the 1983 base value to 1991 with supporting rationale, projected revenues, Cost/AUM comparisons between the Regula Amendment calculated grazing fees and the 33 percent ceiling limitation called for are as follows:

Alternative Indexing of 1983 Appraised Base Value updated to 1991:

Alt 1. Average Year indexing method: 1990 Calculated FVI=253=1.08 (percent increase); 1980–1984 Average FVI=234.

1983 Appraised Base Value updated to 1991: $4.68 × 1.08=$5.10/AUM.

Rationale: The 5-year FVI (1980–1984) coincides with the base years used in the 1986 Fee Report, blends the high and low FVI values over a five year period, and removes the assumption that the 1983 FVI (242) was the normative value for the time period.

Alt 2. Single Year indexing method: 1990 Calculated FVI=253—1.045 (percent increase); 1983 Calculated FVI—242.

1983 Appraised Base Value updated to 1991: $4.68×1.045=$4.89/AUM.

Rationale: Use of percent change is an acceptable method for indexing.

PROJECTED REVENUES, 1992–95

ALTERNATIVE 1

Year	Cost/AUM (formula)	Cost/AUM (33 percent limit)	AUM's sold (estimated)	Projected revenues
1992	[1] $5.15	[2] $2.63	6,648,000	$17,484,240
1993	5.20	3.49	6,648,000	23,201,520
1994	5.25	4.65	6,648,000	30,913,000
1995	5.31	5.31	6,648,000	35,300,880

[1] FMV equals 1983 Westwide appraised base value (indexed to 1991) times FVI.
[2] Limited to 1.33 percent of previous years fee level.
Note.—FMV equals $5.10 (1991 Base FMV) times 101 divided by 100 equals annual FMV grazing fee. Assumed FMV at FVI increase of 1 percent per year.

ALTERNATIVE 2

Year	Cost/AUM (formula)	Cost/AUM (33 percent limit)	AUM's sold (estimated)	Projected revenues
1992	[1] $4.94	$2.63	6,648,000	$17,484,240
1993	4.99	3.49	6,648,000	23,201,520
1994	5.04	4.65	6,648,000	30,913,000
1995	5.09	5.09	6,648,000	33,838,320

[1] FMV equals 1983 Westwide appraised base value (indexed to 1991) times FVI.
Note.—FMV equals $4.89 (1991 base FMV) times 101 divided by 100 equals annual FMV grazing fee. Assumed FMV at FVI increase of 1 percent per year.

BUREAU OF LAND MANAGEMENT ISSUE PAPER
CONGRESSMAN FOR RALPH REGULA

Topic: Regula Amendment to H.R. 1096 (BLM Reauthorization Bill)

Issue: Recommended Changes to Draft Bill and Fiscal Impact Analysis

Background: Language is recommended which clarifies the definitions of both the "Forage Value Index" (FVI) and "Appraised Base Value". It is suggested that the FVI be set equal to 100 in 1991, so that we have a means of accurately adjusting the base value in the out years. It is also suggested that the "westwide basis" term used in defining the Appraised Base Value be further defined as the lowest pricing area base value (indexed to 1991). These recommended changes are consistent with the methodology utilized in the 1986 Grazing Fee Study.

Based upon our calculations, the 33% per year increase limitation will prevent implementation of a Fair Market Value (FMV) charge until 1995. Projected revenues, as well as Cost/AUM comparisons between Regula Amendment calculated grazing fees and the 33% ceiling limitation called for are as follows:

Year	Cost/AUM (formula)	Cost/AUM (33 percent) limit)	AUM's sold (estimated)	Projected revenues
1992	[1] $4.94	2.63	11,000,000	$28,930,000
1993	4.00	3.49	11,000,000	38,390,000
1994	5.04	4.65	11,000,000	51,150,000
1995	5.09	5.09	11,000,000	55,990,000

[1] FMV—1983 westwide appraised base value (indexed to 1991) times forage value index divided by 100. FMV—$4.89 times 101 divided by 100.

U.S. DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, DC, August 29, 1991.

Hon. JAMES M. JEFFORDS,
U.S. Senate, Washington, DC.

DEAR SENATOR JEFFORDS: Thank you for your August 1, 1991, letter requesting the Forest Service's estimate of the impact of your draft amendment on animal unit months (AUMs) sold for the forseeable future. You also requested technical comments on the drafting of the amendment.

The proposed two-tiered fee would be difficult for the Forest Service to administer under the current billing system. We have no way of currently tracking an individual permittee's combined-use level on all allotments, some of which may be on other National Forests or within the jurisdiction of other agencies. About 15 percent of public rangeland permittees graze their livestock on both Forest Service and Bureau of Land Management allotments. Additionally, a number of our permits are held by grazing associations with many individual members.

Our billing system would need to be modified to meet the intent of the draft amendment. This modification would take approximately 1 year.

The minimum of 2,000 AUMs would impact some small family ranchers. For example, a 6-month grazing season would reduce the affected herd size to 333 animal units. However, a permittee who grazed only 1 month on a National Forest could have a herd size of 2,000 animal units and not be affected. This minimum should be addressed in the context of the complete ranching family operation.

Finally, we recommend some technical changes to the proposed amendment. In section 6(a)(1)(A) of the Public Rangelands Improvement Act of 1978 insert "in the 16 western States" following "grazing fees for the public rangelands." In section 6(a)(1)(B), insert "Forest Service and Bureau of Land Management" following "for the first 2,000 animal unit months of combined."

Our technical comments on your draft amendment should not be construed as altering the Administration's position that the current grazing fee formula should not be changed.

If you need further assistance, please call Robert Williamson, Director of Range Management, at 205-1460.

F. DALE ROBERTSON,
Chief.

ESTIMATED EFFECTS OF JEFFORDS GRAZING FEE AMENDMENT

Year	Calculated fee	33.3 percent limited fee	Large permittees			Smaller permittees		
			AUMs sold low fee	High fee	Estimated revenue	AUMs sold	Estimated revenue	Estimated total revenue
1992	$4.94	$2.63	2,264,558	303,450	$7,454,830.54	4,080,421	$10,731,507.23	$18,186,337.77
1993	4.99	3.49	2,264,558	303,450	9,417,522.92	4,080,421	14,240,669.29	23,658,192.21
1994	5.04	4.65	2,264,558	303,450	12,059,582.70	4,080,421	18,973,957.65	31,033,540.15
1995	5.09	5.09	2,264,558	303,450	13,071,160.72	4,080,421	20,769,342.89	33,840,503.61

Assumptions for estimating purposes, we have not consider any BLM grazing in estimating the 2,000 AUMs. 48 percent of AUMs are used by 19 percent of permittees with herds of more than 500 head, these large permittees use an average of 2,175 AUMs per year. 2,000 AUMs would be purchased at the 33.3 percent limited fee and 175 would be purchased at the calculated fee. 52 percent of AUMs are used by 90 percent of permittees with herds of less than 500 head. We assumed they would pay the 33.3 percent limited fee for all of their AUMs.

Note.—Many Forest Service permittes spend Fall, Winter or Spring on BLM administered lands, therefore, these estimates are considered conservative. No reductions in AUMs sold are made at the fee of $5.09. However, we estimate that there would be a decrease of 1.218 AUMs if the fee rose from $4.35 to $5.80

DEPARTMENT OF THE INTERIOR,
BUREAU OF LAND MANAGEMENT,
Washington, DC, August 15, 1991.

Hon. JAMES M. JEFFORDS,
U.S. Senate, Washington, DC.

DEAR SENATOR JEFFORDS: Thank you for your letter of August 1, 1991, requesting the Bureau of Land Management's [BLM] estimate of the impact of the grazing fee amendment which you may offer on the sale of animal unit months [AUM's].

The proposed two-tiered fee would be extremely difficult for the BLM to administer under the current billing system. Since our grazing bills are processed at the resource area level, we have no way of tracking an individual permittee's combined use level on all allotments, some of which may be in other resource areas, districts, or States, or in the jurisdiction of other agencies. About 15 percent of public land permittees hold both BLM and Forest Service allotments. A number of our permits are held by cooperative grazing associations with many individual members, a further complication. It is also likely that many permittees would divide their preferences among family members or partners to qualify for the lower fee.

Even if we had the resources to develop an entirely new billing system, on an individual rather than a resource area basis, it might well take until 1995 to implement, and the effect would be lost.

Furthermore, the 2,000 AUM threshold, averaging 500 AUM's grazing 4 months a year, does not insulate all of the small family ranchers. In the Southwest, where use is yearlong, this would provide for only 167 animal units. In much of the West, where a 6- to 9-month grazing season is common, this limit would extend to herds of 333 to 222 animal units.

If we can provide you or your staff with further information on the grazing fee issue, please call.

Sincerely,

SUSAN RECCE LAMSON,
Director.

ESTIMATED EFFECTS OF JEFFORDS GRAZING FEE AMENDMENT

Year	Calculated fee	33.3 percent-limited fee	Large permittees			Smaller permittees		
			AUM's sold [1]		Estimated revenue	AUM's sold	Estimated revenue	Estimated total revenue
			Low fee	High fee				
1992	$4.94	$2.63	3,690,000	1,480,000	$17,015,900	5,830,000	$15,332,900	$32,348,800
1993	4.99	3.49	3,690,000	1,480,000	20,263,300	5,830,000	20,346,700	40,610,000
1994	5.04	4.65	3,690,000	1,480,000	24,617,700	5,830,000	27,109,500	51,727,200
1995	5.09	5.09	.....	.....	26,315,300	5,830,000	29,674,700	55,990,000

[1] Total 5,270,000.

Assumptions.—For estimating purposes, 2,000 AUMs equals 500 head grazing 4 months on BLM range. 47 percent of AUMs are used by the 10 percent of permittees with herds of more than 500 head. These large permittees use an average of 2,822 AUMs per year. 2,000 AUMs would be purchased at the 33.3 limited fee and 822 would be purchased at the calculated fee. 53 percent of AUMs are used by the 90 percent of permittees with herds of less than 500 head. We assumed that they would pay the 33.3 limited fee for all of their AUMs (p. 4, 1986 Fee Study).

Note.—Even though BLM projects no reduction in AUMs sold at a fee of $5.09, it is likely there would be some decrease in use. Under the Synar fee proposal, BLM had estimated that there would be a decrease of 3.6 million AUMs if the fee rose from $4.35 to $5.80.

INDEPENDENT CATTLEMEN'S
ASSOCIATION OF TEXAS, INC.,
Austin, TX, April 11, 1991.

Hon. JAMES JEFFORDS,
U.S. Senate, Washington, DC.

DEAR SENATOR JEFFORDS: The Board of Directors of the Independent Cattlemen's Association of Texas have voted to support the Fair Market Grazing for Public Rangelands Act of 1991.

Our Association believes the current fees of $1.97 per animal unit month (AUM) are far below the market rate of fees charged on other federal lands, state lands, and private lands.

The Fair Market Grazing for Public Rangelands Act would phase in an increase in grazing fees so that by 1994, a fair market value for grazing public lands would be collected.

Currently, Texas producers pay from $8 to $12 per AUM. Texas has no federal lands open to public or private grazing, so this expense represents a fair market value we operate under.

We ask your support for the following reasons:

1. Virtually no Texas livestock along with over 90% of the Western States livestock have access to publicly owned rangeland, giving an unfair economic advantage to those with access.

2. Increased fees would generate over $325 million over the next three fiscal years and be used to fully fund federal range improvement activities on a "pay as you go basis."

3. Proper livestock grazing on public rangelands should continue and can benefit wildlife habitat, if both wildlife and livestock are managed in concert. Increased fees can pay for the Department of Agriculture's U.S. Forest Service and the Department of Interior's Bureau of Land Management to adequately oversee both.

4. Fees charged today by the Department of Agriculture and the Bureau of Land Management on cattle caught today "trespassing" on federal lands are $8.70 per AUM (the fee equal to the "value of forage consumed")

The Independent Cattlemen's Association of Texas strongly supports continuing the federal grazing programs on public lands, we only encourage a fair market value be charged for these permits.

We ask your support for the Fair Market Grazing for Public Rangelands Act of 1991.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

BOB NUNLEY, Jr.
President.

SOUTHERN UTAH
WILDERNESS ALLIANCE,
Cedar City, UT, September 10, 1991.

VOTE FOR THE JEFFORDS-METZENBAUM
GRAZING REFORM AMENDMENT

DEAR SENATOR: When the Senate considers the Fiscal Year 1992 Interior Appropriations Bill, Senator Jeffords and Senator Metzenbaum will offer a grazing reform amendment. We urge you to help protect and restore Utah's public lands and vote for this important amendment.

In many areas of Utah, grazing has degraded water quality below state and federal standards. Streamside areas, which are the lifeblood of arid and semi-arid western ecosystems, have been devastated by livestock grazing.

Livestock grazing has not only compromised our biological legacy, but also our checkbooks. The current fee of $1.97 (per Animal Unit Month—AUM) does not cover the costs to administer the program, is far less than the cost to lease comparable private land and is one quarter of the actual value of western rangeland forage ($8.70 per AUM). Utah, along with other western states, charges more than the federal government for grazing fees according to a new report by the General Accounting Office.

The Jeffords-Metzenbaum amendment would implement three crucial reforms to our nation's grazing program:

(1) Increase the livestock grazing fees.

(2) Utilize grazing fee receipts to restore national resources and cover program costs.

(3) Abolish the single interest and anachronistic Grazing Advisory Boards.

It is time for Congress to implement grazing reform—for compelling fiscal and environmental reasons. The Southern Utah Wilderness Alliance urges you to support the protection and restoration of our public lands by voting for the Jeffords-Metzenbaum Amendment.

Sincerely,

BRANT CALKIN,
Executive Director.

CINDY SHOGAN,
Washington Representative.

NATIONAL TAXPAYERS UNION,
Washington, DC, September 12, 1991.

DEAR SENATOR: When the Interior Appropriations bill reaches the floor of the Senate, we urge you to support a grazing fee reform amendment that will be offered by Senators Jeffords and Metzenbaum.

Taxpayers have had about all they can stomach of government waste. Yet, special interest legislation continues to chew up billions of taxpayer dollars. These interests have powerful providers in Congress who make sure that programs back home are well fed.

For those western ranchers with access to public lands, the grass looks a lot greener on the government's side of the fence, and with good reason. Every year, hundreds of millions of Federally-owned and managed acres are made available for grazing by privately owned livestock at a fraction of the cost to the government.

America's taxpayers have lost an estimated $650 million over the last six years because federal grazing fees are far below fair market value. Unless this inadequate grazing fee formula is changed, the taxpayers will continue to lose millions of dollars year after year.

A recent General Accounting Office (GAO) report shows that the current grazing fee formula is fraught with technical errors and assumptions that keep the fee artificially low. In fact, today's federal fee of $1.97 per cow-month is only about one-fifth the $9.22 that is the average market value for grazing on private lands in the west. This amounts to a tremendous taxpayer subsidy.

It is clear that there is a dire need for reform of grazing fees. Under the present for-

mula the rewards to the ranchers are considerable. The rewards to the taxpayer are nonexistent. When private profit is derived from the use of public resources, a benefit should accrue to the taxpayer. It's as simple as that.

The Jeffords-Metzenbaum amendment makes good fiscal sense. We urge you to vote "YES" on this amendment.

Sincerely,

JILL LANCELOT,
Director, Congressional Affairs.

LEAGUE OF CONSERVATION VOTERS,
Washington, DC, September 12, 1991.

DEAR SENATOR: For the past 20 years, the League of Conservation Voters has provided voters and the media with important information about how their elected officials vote on environmental issues. In the upcoming consideration of the FY 1992 Interior and Related Agencies Appropriations bill, we urge you to support an amendment that will be offered by Senators Jeffords and Metzenbaum to reform federal grazing fees and improve the management of western public rangelands.

Previously, the issue of taxpayer-subsidized grazing has been blocked from reaching the Senate floor. Thus, this is the Senate's first opportunity to reform the discredited formula that currently determines the fee charged for livestock grazing on western public lands. The fee is administered by the Bureau of Land Management (BLM) and the Forest Service.

In addition to bringing fairness to the grazing fee formula, the amendment appropriately broadens the use of grazing fee receipts for such activities as the restoration of wildlife and fish habitat and other resources damaged by overgrazing. The amendment also abolishes BLM's single-use grazing advisory boards, which are inconsistent with BLM's multiple-use mandate and have operated without statutory authority since 1985.

The League of Conservation Voters considers a vote for the reform of federal grazing fees to be an important vote for the environment, and we urge you to support the Jeffords-Metzenbaum amendment.

Sincerely,

JIM MADDY,
Executive Director.

THE WILDERNESS SOCIETY,
Washington, DC, September 12, 1991.

SUPPORT THE JEFFORDS-METZENBAUM GRAZING FEE REFORM AMENDMENT

DEAR SENATOR: When the FY 1992 appropriations bill for Interior and Related Agencies is considered by the Senate, The Wilderness Society urges you to support the grazing fee reform amendment which will be offered by Senators Jeffords and Metzenbaum.

Reform of the federal grazing fee is long overdue. Numerous government studies and data provide convincing evidence of the inadequacy and unfairness of the current grazing fee formula that is used by the Bureau of Land Management (BLM) and the Forest Service. The taxpayers and the environment are paying the price for the grazing subsidy.

Today, the BLM and the Forest Service charge just $1.97 per cow-calf unit per month for grazing on western public lands; in comparison, the average private land lease rate in the West is $9.22. The unjustified low federal fee amounts to a huge subsidy at the expense of American taxpayers.

Year after year, BLM and Forest Service western grazing programs produce a net loss to the taxpayers. In FY 1991, BLM and Forest Service expenditures for grazing programs will exceed receipts by nearly $65 million.

The current grazing fee formula is fatally flawed. A recent GAO report points out several technical problems and double-counting in the formula. The existing formula keeps the federal fee at a ridiculously low level even when the fee charged on private lands is going up.

The grazing subsidy benefits just two percent of the nation's livestock producers—and many of these are huge operations owned by large corporations.

The fee is unfair to taxpayers and unfair to private land livestock operators who must compete against federally subsidized grazing.

The Jeffords-Metzenbaum amendment will:

1. Replace the existing, discredited grazing fee formula with one that is reasonable and much closer to fair market value. It is the same formula proposed by Representative Ralph Regula and adopted by the House of Representatives in July. The Jeffords-Metzenbaum proposal also provides a phase-in period for new fees by placing an annual cap of no more than 33.3 percent on the fee increase. Thus the fee would increase from $1.97 this year to $2.63 in 1992, $3.50 in 1993, $4.67 in 1994, $5.09 in 1995, and would be determined by the formula thereafter (estimated to be $5.13 in 1996).

2. Significantly broaden the use of fee receipts to cover the full cost of administering BLM and Forest Service grazing programs. Currently, the portion of grazing fee receipts that are returned to the agencies cannot be used for activities such as enforcement of the conditions in grazing permits and monitoring of rangeland conditions—taxpayers foot the bill for these and essentially all other costs of administering for grazing programs. It's only fair that the receipts be used to cover grazing program costs and help ensure that livestock grazing is properly managed at sustainable levels on public lands. The amendment also would ensure that fee receipts are available to restore wildlife and fish habitat, soil, and watershed resources of public rangelands.

3. Eliminate BLM's wasteful, outdated grazing advisory boards. These single-use boards consist almost entirely of livestock operators who benefit from the below-cost grazing fees. Although they should have ended in 1985 (per the Federal Land Policy and Management Act of 1976), the boards have been perpetuated by a Secretarial order. Under the direction of these boards, grazing receipts have been used almost exclusively for projects to benefit livestock. Grazing boards and their actions obviously are inconsistent with BLM's multiple-use mandate. And by way of contrast, the Forest Service grazing boards went out of existence as scheduled at the end of 1985.

For the conservation of our nation's fiscal and environmental resources, The Wilderness Society urges you to join Senator Jeffords and Senator Metzenbaum in supporting grazing fee reform.

Sincerely,

NANCY GREEN,
Director, BLM Program.

SIERRA CLUB,
Washington, DC.

SUPPORT ENVIRONMENTAL AND FISCAL REFORM AMENDMENTS TO THE FY 1992 INTERIOR APPROPRIATIONS BILL

Vote YES on the Bumpers' patenting moratorium amendment.

End the giveaway of the Federal Lands for $2.50 an acre under the 1872 Mining Law.

Give Congress time to act to reform the 1872 Mining Law to protect natural resources.

Vote YES on the Jeffords-Metzenbaum grazing fee amendment.

Raise the current fee for grazing livestock on Federal Lands.

Use receipts to restore natural resources and wildlife habitat.

Vote YES for the environment; vote YES for the Taxpayer.

GRAZING FEE REVIEW AND EVALUATION FINAL REPORT, 1979–1985

(Report of the Secretaries of Agriculture and the Interior, February 1986)

CHAPTER 2.—APPRAISED MARKET RENTAL VALUE OF GRAZING ON PUBLIC RANGELANDS

Purpose of grazing market rental appraisal

In the PRIA, Congress legislated a grazing fee formula and established fair market value of grazing lands by legislative definition. In House Report No. 91–1122, Congress charged the Secretaries to "refine the data on the value of the public rangelands as compared to privately owned rangelands." In response to the congressional charge, the FS and the BLM conducted a grazing rental market value appraisal of public rangelands. The two primary objectives of the appraisal were: (1) to establish a market value, which is the amount a livestock operator would pay for grazing use on the public lands if these lands were offered on the open market, and (2) to provide the information needed to compare that value with the public land grazing fees now derived from the current fee formula established by the PRIA.

Definition of fair market rental value used in the appraisal

The American Institute of Real Estate Appraisers states that "an appraisal is an unbiased estimate of the nature, quality, value, or utility of an interest in, or aspect of, identified real estate, . . . is based on selective research into appropriate market areas; assemblage of pertinent data; the application of appropriate analytical techniques; and the knowledge, experience, and professional judgment necessary to develop a conclusion that is appropriate to the problem." Fair market rental value is defined as "The amount in cash, or in terms reasonably equivalent to cash, for which in all probability the grazing use would be rented or leased by a knowledgeable owner willing but not obligated to rent or lease to a knowledgeable renter or lessee who desired but is not obligated to lease." It was also defined as "The amount that livestock owners would probably pay for the grazing use if it were offered for rent or lease in the open market" (Brownell and Tittman, 1984a).

Function of the appraisal

The grazing market rental appraisal was undertaken to: (1) provide market data from which to compare values obtained from the USDA-Statistical Reporting Service Annual June Enumerative Survey (JES) of Private Grazing Land Lease Rates (the Forage Value Index); (2) compare the closeness of PRIA fee rates, which include factors of cost of production and ability to pay, with comparable private grazing land lease rates obtained in a free, open market, and (3) place a market value on the occupancy, use, and consumption of public rangeland forage where the leasing of grazing privileges through permit or lease is a form of purchasing resources.

A market value appraisal is an accepted and theoretically correct method for determining the value of land resources used in the production of livestock products. The market approach uses the "comparative lease method" to estimate current market

values of resources and land services. The Bureau of Indian Affairs (Department of the Interior) has used this methodology extensively. The Department of Defense (Army and Navy) also used this methodology to determine rental value for other Federal grazing lands leased by the Army Corps of Engineers or the Navy. The method used in the FS/BLM appraisal was mass data appraisal, which provided a reservoir of market and related economic data for a specified area.

Scope of the appraisal

The field work portion of the appraisal took 17 months to complete (July 1982 to November 1983). The field appraisers interviewed approximately 100,000 persons to identify who leased grazing lands. Those interviewed included bankers, appraisers, farm management specialists, loan officers, grazing permittees, nonpermittee livestock producers, etc. The appraisers developed lists of persons, from those interviewed, who leased grazing lands which they believed represented 80 to 90 percent of the transactions within the area surveyed. These interviews resulted in a transaction data based that contained 11,675 records. The 11,675 records contained 7,246 usable observations of different prices reflecting and results of open market negotiations between lessors and lessees for grazing use of lands by cattle, horses, yearling cattle, and sheep.

The appraisal covered 16 Western States, plus two counties in Texas, which were divided into six pricing areas (see Figure 2.1). Criteria for selecting the boundaries of the pricing areas included the following, in order of priority: (1) mean county prices for mature cattle and horses; (2) consideration of the natural vegetation, which reflects the influence of soils, climate, and land features; (3) physical or geographic features; and, (4) political or administrative boundaries. Data on 99 physical characteristics and lease terms and conditions that could affect value were collected for each lease. The 99 items were reduced or combined to form 81 potential value determining factors. The most important factors are shown in Appendix B, Figure B.8.

Appraisal process and conclusions

The appraisers used appraisal techniques that acknowledged a wide range of conditions on individual allotments on the public rangelands, and recognized the impossibility of accounting for the differences between individual allotments or tracts. A universe of market transactions involving private leased rangelands, subleased public rangeland administered by the BLM and FS, and other Federal rangeland properties as of a given date were analyzed in a uniform manner. The appraisal used standard methodology and employed a common reference for data. This process is referred to as mass appraising and allows for statistical analysis of data for determining factors that influence value between the subject properties and comparable transactions. This process may use statistical data when (1) it shows high levels of correlation between factors and price, and (2) the sample size is sufficient to be reliable. The appraisers applied such statistical analysis and found some correlations of factors with value, but did not find any that were statistically significant. (See the Statistical Appendix to the Appraisal, Volume 2, Exhibit 13-10.) Therefore, they did not base the adjustments in the appraisal on the results of the statistical analysis of the factors and price data.

The value estimates presented do not represent the "site specific" fair market grazing rental value of any individual allotment. Rather, they are intended to represent a reasonable estimate of the mean average rental value of grazing on the public rangelands. Appraised market value reflects the highest price that a property will bring if exposed to sale or rent in the open market. There must be a willing seller (or lessor) and a willing buyer (or lessee), both knowledgeable of all uses of the property and neither being under abnormal pressure. The quantification of appraised value is based on this concept of market value. In the grazing rental appraisal, it is determined as an average value that would be realized from rental of all allotments available for grazing.

FIGURE 2.1.—WESTWIDE PRICING AREAS: MATURE CATTLE, HORSES, AND YEARLING CATTLE—PRICING AREAS 1 THROUGH 6; SHEEP—ENTIRE WESTWIDE AREA

[BLM AUM's and Forest Service AM's by Pricing Area [1]]

Pricing area	BLM AUM's	FS AM's	Total	Percent of total
1	196,558	194,424	390,982	2
2	351,538	11,261	362,799	2
3	4,352,997	2,782,956	7,135,953	33
4	4,112,507	2,226,620	6,339,127	29
5	4,351,845	2,673,227	7,025,072	33
6	116,813	214,620	331,433	2
Total	13,482,258	8,103,108	21,585,366	100

[1] Numbers of AUM's and AM's reported in the appraisal, 1982 data BLM AUM's correspond to Forest AM's.

In arriving at an estimate of the fair market rental value for grazing on the public rangelands within each pricing area, the use and conditions on the private leased lands were compared to the use and conditions on the public rangelands. Based on a pure "qualitative analysis" of different factors, it was the appraisers' judgment that any advantage the lessee of private lands might have over the public rangelands permittee/lessee, as a result of the general lack of stipulations or restrictions on the private lease, was at least partially offset by the guaranteed tenure, the rights of appeal, and the option of nonuse for 3 years at no cost that were afforded the public rangeland permittees/lessees.

The analyses showed there were different prices being paid for different kinds and types of animals. They also showed there were differences in prices being paid in different geographic areas that could be attributed to broad differences in various factors that included location, seasons of use, and carrying capacity or quality of range. For example, prices being paid for typical spring-summer-fall grazing on lands stocked at 1-10 acres per AUM in South Dakota were 2 to 3 times the prices paid for year-round grazing on lands in the southwestern desert areas of New Mexico, Arizona, and Nevada on lands stocked at 20 to 40 acres per AUM.

The Agencies' appraisers, in consultation with the contracted private review appraisers, concluded that the most appropriate and valid measure of the rental value of public land grazing was the average price of the negotiated leases. The value estimates were based on indications provided by the 7,246 observations of the negotiated leases. Because of the wide range of prices shown by these observations and the skewness of rental prices to the high side, they further concluded the need to remove the extremes of highs and lows in prices by excluding the top and bottom 15 percent of the reported prices. This left 70 percent of the data as the basis for estimating the fair market rental. Eliminating the extreme values of each end of the range in this manner reduced the skewness and resulted in lowering the appraised market value an average of 5 percent.

The appraisers also compared the westwide average prices paid on private leased lands to the westwide average prices paid for over 600 competitive and/or negotiated leases on approximately 9 million acres of Federal lands. The leases of Federal lands included competitive leases of military reservations, wildlife refuges, reclamation lands, and subleases of Federal grazing permits, including intermingled public and private rangelands, where all or part of the public land is administered by BLM or FS. These transactions did not involve the landowner's care or management of the livestock. This showed an average price of $6.53 per month for the Federal lands compared to $6.87 for Nonfederal lands, indicating a 5 percent lower value for grazing on Federal lands than for the Nonfederal lands. The −5 percent difference was attributed to a number of factors, including the general conditions of the permits or leases, differences in costs of operation and desirability of use, etc.

The appraisers recommended a further adjustment because of the different payment schedules that were authorized for use on public rangeland permits/leases. The appraisal data showed that private market transactions were discounted approximately 10 percent for advance payment. Generally, both Agencies required partial or full payment in advance. The additional −10 percent adjustment together with that due to the indicated 5 percent lower market value of public grazing land leases and subleases resulted in a total −15 percent adjustment from the private grazing rates. No adjustments were made for factors such as size (in acres, AUM's, number of head), quality of range (carrying capacity or stocking rate), improvements, availability and distribution of water, etc., the following reasons: (1) the transactions showed no difference in prices because of differences in these factors, and/or (2) the public rangeland allotments within each of the pricing areas exhibited broad ranges in physical characteristics and the private leased lands exhibited the same general, broad ranges in these characteristics or factors.

The mass appraisal technique assessed comparability for similar leased public private rangelands but did not identify differences between specific leased rented areas. The mass appraisal was, therefore, an indicator of the mean average prices paid in the market for grazing rangelands, and was a reliable indicator of the average market value of public leased rangelands.

Figure 2.2. presents for each of the six pricing areas estimates of the average private land lease rate and the estimated average appraised market value of grazing on the public rangelands, with recommended adjustments for advance payment for mature cattle and horses, yearling cattle, and the westwide priced sheep, as of October 1, 1983.

FIGURE 2.2—APPRAISAL VALUE CONCLUSIONS, 1983

[Dollar per head or pair month]

Price area	Private land lease rate	Appraised market value of grazing on public rangelands	Adjusted value for advance payment
Mature cattle and horses (over 18 months of age):			
1	$10.00	$9.50	$8.55
2	7.50	7.10	6.39
3	8.00	7.60	6.84
4	6.25	5.90	5.31
5	5.50	5.20	4.68
6	6.75	6.40	5.76

FIGURE 2.2—APPRAISAL VALUE CONCLUSIONS, 1983—Continued

[Dollar per head or pair month]

Price area	Private land lease rate	Appraised market value of grazing on public rangelands	Adjusted value for advance payment
Yearling cattle (under 18 months of age):			
1	7.50	7.10	6.39
2	6.75	6.40	5.76
3	6.25	5.90	5.31
4	5.70	5.40	4.86
5	5.50	5.20	4.68
6	4.75	4.50	4.05
Sheep: Westwide	1.10	1.05	.95

FIGURE 3.4.—SUMMARY RESULTS OF THE 1966 WESTERN LIVESTOCK GRAZING SURVEY

	Cattle		Sheep	
	Public	Private	Public	Private
Total nonfee costs	$3.28	$2.75	$4.53	$3.89
Lease rate	(1.26)	1.79	(1.13)	1.77
Total costs	4.54	4.54	5.66	5.66
Derived FS/BLM lease rate	(1.26)	.....	(1.13)	.....
Difference for private lease	0.53	.....	0.64	.....

Weighted private lease rate (cattle and sheep)	$1.78
Cattle and sheep nonfee cost weighted difference: (cattle 80 percent, sheep 20 percent	$0.55
Weighted nonfee costs difference	1.23

Comparison of PRIA Fees with Westwide Indicated Market Value and the 1969 Fee System, 1979–1983: Measures of the PRIA formula's performance for 1979 to 1983 were derived from comparing the indicated market value for the public lands, as determined by the grazing rental appraisal, with fee rates that would have been derived from the former 1969 fee system. The FS and BLM appraisers, through a separate market analysis, observed that 1983 private grazing land lease rates were $7.00 per head month ($/AUM). After discounting ten percent for advance payment and an additional five percent for comparability adjustment, the 1983 indicated market value of grazing on public rangelands was $5.99 per head month (Brownell and Tittman, 1984b.)

The 1969 fee system annually adjusted the 1964 to 1968 base value of $1.23 by an index of the annual change in private grazing land lease rates.

Figure 3.5 shows PRIA's performance in relationship to the indicated westwide market value and fee rates determined by the 1969 grazing fee system. (See Brownell and Tittman, 1984b.) The indicated westwide market value was based on 16 Western States, while the PRIA and the 1969 grazing fee system values were based on 11 Western States. For the 5 years 1979 to 1983, the PRIA fees averaged 36.4 percent of the indicated market value, with a range from 50 percent in 1980 to 23 percent in 1983. Although the PRIA and the 1969 system produced about the same fee in 1980, by 1983 the PRIA fee was less than half the amount that the former system would have produced.

DERIVATION OF BASE VALUE FOR THE COMBINED VALUE FEE SYSTEM

Indicators of 16 Western States private grazing lease rates were documented by the FS and BLM appraisers in a supplemental report. For details of the market analysis see: Appraisal Report Estimating FAIR MARKET RENTAL VALUE OF GRAZING PUBLIC LANDS, U.S. Forest Service and Bureau of Land Management, Vol. 2, Appendix 15, page 15–6, Oct. 1983. Figure 1 shows the 1983 findings:

Figure 1.—Indicated 1983 Westwide Market Value

Year	1983
Private land lease rate	$7.00
Adjustment	.95
Indication of value of grazing on public rangelands	$6.65
Payment in advance	$5.99

The average price observed by the market analysis for 1983 was $7.35. The average over the 7-year period was $6.87. Placing the most weight on the averages of the past 3 or 4 years would indicate a private land lease rate of about $7.00 for 1983. The 6-year average price (excluding 1977) is $7.20.

Derivation of the base value for the Combined Value Alternative Fee System is the arithmetic (mean) average of the indicated value of grazing on public rangelands ($5.99 per AUM) and the updated 1966 base value ($2.34 per AUM). Based on economic theory, the two values should be the same, but they differ for a variety of reasons, including differences in methodology, data collection and sampling techniques, statistical analysis of the data, and structural cost changes over time. The true economic base value for the alternative fee system is probably somewhere between the two extremes. For illustration purposes an average value is computed as shown in Figure 2.

Figure 2.—Derived Base Value for Combined Value Fee System.

Item	*Values*
Grazing Rental Appraisal of Public Rangeland Grazing	$5.99/AUM
Updated 1966 WLGS Residual Value	2.34/AUM
Total Value	8.33/AUM
Derived Base Value ($8.33/2)	4.16/AUM

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FIGURE 6.6.—COMPARISON OF CASH RECEIPTS, COSTS, AND RECEIPTS LESS CASH COSTS FOR FEDERAL PERMITTEES AND WESTERN LIVESTOCK INDUSTRY PRODUCERS, 1982

[Dollars per cow]

	Federal permittee livestock producer (fee @ $1.86	Western livestock industry producer	Net difference (permittee to industry)	Ratio of Federal permittee to industry
Cash receipts	$249.85	$278.84	−$28.99	.896
Federal fee	6.42	.....	.....	.....
Other cash costs	177.03	.....	.....	.....
Cash costs	183.45	221.39	−37.94	.829
Capital replacement	31.82	24.53	7.29	1.297
Receipts less cash costs	66.41	57.45	8.96	1.156
Receipts less cash costs and capital replacement	34.59	32.92	1.67	1.051

Note.—Percent Federal fees are of cash cost: 3.5.

Source: USDA Economic Research Service, "The Economic Impact of Alternative Federal Grazing Fees on Western Livestock Businesses, 1984; Table 15 (corrected), Federal Permittee "Gee" Budgets and Tables D1–D3, Western Industry Livestock Enterprise Budgets (Cost of Production Survey-COPS).

The ERS ranch budget data show that in 1982, Federal Grazing permittees in the Western States: (1) had cash receipts that were 10 percent lower than the industry producers, (2) had 17 percent lower cash costs than industry cattlemen; (3) encountered 30 percent higher replacement costs than the industry producers, and (4) realized receipts less cash costs that were 16 percent higher than the industry. When replacement costs are added to cash costs, residual receipts for permittees dropped to 5 percent higher than the industry.

The data in Figure 6.6, developed by ERS for permittees from the "Gee"' ranch budgets and for the Western Industry producer from the COPS ranch budgets, reflects residual receipts in the short-term and is ". . . valid for comparison between permittees and nonpermittees. The difference in means [averages] shown for permittee's and Western Livestock Industry's [receipts and costs] . . . are not statistically different. Computing the standard deviation on returns over cash receipts indicates a standard deviation of nearly $20 per cow. Thus, a $9 per cow difference is far less than two standard deviation normally used to test significance at 5 percent of confidence. This reconfirms the finding of . . . the 1966 Western Livestock Grazing Survey . . . that there is the existence of a large variation among . . .

FIGURE 6.6.—UPDATED COMPARISON OF COSTS AND RETURNS FOR WESTERN COW CALF PRODUCERS WITH AND WITHOUT FEDERAL GRAZING

[Dollars per cow]

	Average Federal permittee	Western producer	Net difference (permittee less industry)	Percent ratio (permittee over industry)
Cash receipts	$346.16	$386.33	−$40.17	89.0
Federal fee	6.25			
Other cash costs	220.90			
Total cash costs	227.15	276.26	−49.11	82.2
Capital replacement	36.79	28.36	8.43	129.7
Receipts less cash costs	119.01	110.07	8.94	108.1
Receipts less cash costs and capital replacement	82.22	81.71	0.51	100.6
Grazing fees as a percent of cash costs	2.8	.....	.....	.....

Receipts per animal, cash costs and capital replacement costs for both permittees and non-permittees have been increased by the same proportion that these factors increased for Western producers between 1982 and 1990 as calculated from ERS Cost of Production budgets.

Source: U.S. Department of Agriculture, Economic Research Service.

THE COST OF SUBLEASING FEDERAL GRAZING PRIVILEGES

(By C. Kerry Gee and Albert G. Madsen)

CONCLUSIONS

Establishing a fair price for grazing livestock on land administered by the Bureau of Land Management and Forest Service is a major concern of these agencies. Lack of an active market has made it difficult to set a price acceptable to everyone. However, it has recently been found by Bureau of Land Management and Forest Service personnel that many permit holders are subleasing their grazing rights in the open market. A study of 994 of these subleases indicates the following:

1. There is an established informal market for subleases of federal grazing privileges.

2. Most subleases of federal grazing privileges are part of a larger lease which may include private deeded land, railroad land, or other types of land ownership.

3. Sublease rates are similar to private land lease rates but average lower for individual classes of livetock.

4. Sublease rates indicate that current federal grazing fees charged permittees do not reflect the market value of the resource, however, lease market rates are highly variable and individualized.

5. At livestock prices that prevailed in 1982–83, many livestock producers found benefits in paying more than the current federal grazing fee for the use of this resource.

INTRODUCTION

There are about 307 million acres of federally owned grazing land in the western States administered by the U.S. Department of Agriculture and U.S. Department of the Interior.[1] This land is divided into more than 30,000 allotments and leased to livestock producers. Federal legislation requires that a fee be charged for grazing livestock that reflects a fair market value for the resource. Setting a fee for federal grazing permits has become an important issue among livestock producers, federal land agencies and other interested parties.[2] A major limitation in resolving the issue has been the lack of market prices where willing buyers and willing sellers have agreed upon a price for the resource.

Data has recently become available which should help measure the value of this resource in the open market. A number of grazing permit holders are subleasing their grazing privileges to other livestock producers. These transactions have largely been unrestricted by third parties and should reflect market value.

SOURCE AND DESCRIPTION OF DATA

Information on Federal grazing land subleases was compiled during 1982 and 1983 by field appraisers of the Bureau of Land Management (BLM) and Forest Service (FS) as part of a comprehensive appraisal of the market value of federally owned forage.[3] In the course of this project over 1,000 subleases of federal grazing permits were identified. Data on acreage, lease rate, and contractual arrangements were obtained for each sublease. This data is available to the public through the National Technical Information Service, U.S. Department of Commerce.

The information in this report is based on data from 994 subleases. Subleases which involved horses, unidentified livestock, or unusual pricing units such as pounds of gain or acre month were excluded from the analysis.

GEOGRAPHICAL LOCATION OF SUBLEASES

Subleases included in this evaluation are located in 12 western States (Table 1). There were 903 cattle leases involving some BLM land and 78 cattle leases which included some Forest Service land. Sheep were on 79 leases with BLM land and 6 leases with Forest Service land. The largest number of subleases were in Wyoming, Montana, and Colorado. Sixty percent of all cattle subleases and 75 percent of all sheep subleases were in these States.

RANGELAND ACRES

Parcels involving subleased Federal grazing land usually had mixed ownership (Table 2). Of about 23 million total acres, 14.2 million (61 percent) were BLM land while about 5.9 million (26 percent) were owned by individuals. Only .3 million acres were Forest Service land. Railroads, corporations, States, and other federal agencies controlled the remaining 13 percent of the total acres leased.

States with the largest acreages of total land in these leases were Idaho and Nevada. They also accounted for the largest acreage of BLM and Forest Service land subleased, 3.7 million acres and 3.5 million acres respectively, or 51 percent of the total subleased Federal acres.

The average lease totaled about 19,000 acres with a variation from as few as 100 acres up to several 100,000 acres.

A distribution of the leases based on the proportion of acres belonging to the BLM and Forest Service is shown in Table 3. Only 10 percent of the leases were more than 90 percent federal acres while 25 percent of the leases were 10 percent or less federal rangeland.

PRICING UNIT

Several pricing methods were reported in the sublease data. The most common were price per month, head month and animal month for the kind of livestock specified (Table 4). Less common were animal unit month, pounds of animal produced or acres. Price per month, head month and animal month are probably identical in practice but were left separate in the analysis. Acres leased under each pricing unit are shown in Table 5.

LEASE RATES: AVERAGE LEASE RATES

Twelve state average lease rates based on the most prevalent pricing units were computed for cattle and sheep (Table 6). Individual leases can vary considerably from this average depending upon many local factors affecting open market transactions. Thus, the averages may or may not closely reflect actual local private or public land lease rates. Cow-calf pair lease rates were quoted in four different units. The "price per month" rate was highest at $7.76 while dollar rates averaged lowest ($6.19) for "animal unit months" (AUMs). Average lease rates for cattle varied from $4.49 in terms of "head month" to $5.23 per "animal unit month." The Mature Cow class averaged $9.26 per "head month." Yearling leases were quoted in the same four units as cow/calf pairs. The "animal unit month" lease rate averaged $5.00. The "head month" rate was $6.52. Yearlings are considered less than 1.0 unit in terms of the AUM definition. Sheep lease rates varied from $1.09 per month on a "price per month basis" to $2.25 per "animal month."

LEASE RATES FOR HIGH AND LOW PROPORTION OF BLM LAND

The 12-State averages were computed for leases where BLM land represented 65 percent or more of grazing acreage involved in a lease and for leases where BLM land represented 35 percent or less of the acreage leased (Table 6).

The most usual pricing unit for cow-calf pairs was "price per month." These lease rates for transactions where the percentage of BLM acreage was low, were over $1.00 higher than transactions where BLM land made up a large share of contracted acreage ($7.13 vs. $8.26). Larger differences were observed for cow-calf leases paid on the basis of "animal month" ($5.14 vs. $8.16).

The leases for cattle indicated higher "animal month" and AUM payments when BLM land percentage was high than when BLM land percentage was low. This relationship is the reverse of that noted for leases on a "head month" basis. However, the number of cases on which cattle averages were based is not sufficient to make a strong statement about differences.

Lease payments for yearlings by "head month" and "animal month" were $1.00 to $3.50 higher for transactions with BLM land less than 35 percent of grazing acreage involved. Where averages are computed from a relatively large number of cases, the overriding tendency is for cattle rates to be somewhat lower when the proportion of BLM land is high. This may reflect differences in the quality of grazing land.

Sheep leases on high vs. low proportion of BLM land grazing packages followed a pattern opposite to most of the cattle leases. The lease rates on a "price per month" basis and "animal month" were highest for cases where BLM land was 65 percent or more of the land being leased. Again the number of cases on which averages are computed is relatively few.

EFFECT OF LAND OWNERSHIP AND TOTAL ACREAGE ON LEASE RATE

A regression analysis was made using three independent variables; percent of BLM land in lease transaction, total acres leased, percent of private land in lease transactions regressed against lease rate (the dependent variable) for different classes of livestock. In all comparisons the variation in lease rate explained (R^2 value) was relatively low, ranging from less than 1 percent to a maximum of 16 percent. However, a number of the regression coefficients are statistically significant at the 80 percent or 95 percent confidence levels (Table 7).

Cow-calf leases on both the "price per month" and "animal month" bases were significantly influenced by all three independent variables. For each one percent increase in the relative amount of BLM land included in the lease, lease rates per cow-calf were reduced by 2¢ for "price per month" and 4¢ per "animal month." The percentage of private land in lease transactions had the opposite impact on lease rates. For each one percent increase in private land, lease rates per cow-calf increased 1.5¢ on a "price per month" basis and about 6¢ for payments per "animal month." The total number of acres involved in lease transactions also influenced lease rates for cow-calf pairs. Generally, the larger the acreage the lower the lease rates. For each acre increase the "price per month" rate decreased about one cent. For "animal month" payments the rate decreased about ⅕ cent for each acre increase.

The relationship between independent and dependent variables was relatively similar for "mature cows" and "cattle" leases but in most cases the differences were not statistically significant.

Leases on a "head month" basis for yearling cattle were affected by the percent of BLM land and percent of private land in the transaction. The lease rate decreased about one cent for each one percent increase in BLM land and increased about one cent for one percent increase in private land.

Two of the independent variables had a significant impact on sheep lease payments. When payments were on a "price per month" basis, as the number of acres in the transactions increased by one acre the lease rate decreased about ⅕ cent. When leases were paid by "animal month" as the percent of BLM land in the transaction increased the lease rate increased 3 cents. This relationship was the reverse of that for most classes of cattle.

The equations in Table 7 indicate that the ownership mix in parcels leased had some effect but not a major effect on the lease rate. Therefore, the rate charged for a parcel containing 100 percent BLM grazing land would be similar to the rate for a parcel containing 100 percent deeded grazing land.

Although most of the regression equations had limited statistical significance they were used to estimate sublease rates assuming the leases were 100 percent BLM grazing

[1] See, "Grazing Fee Review and Evaluation, A report from the Secretary of Agriculture and the Secretary of the Interior." USDA Forest Service and USDI Bureau of Land Management, Feb. 1986.

[2] See, "Federal Grazing Fees: What is Fair Market Value?" Public Lands Committee National Cattlemen's Association, Proceedings of the Symposium, New Orleans, Louisiana, Jan. 23, 1984.

[3] See, Brownell, Clifton E. and Paul B. Tittman. "Appraisal Report Estimating Fair Market Value of Public Rangeland in the Western United States," prepared for USDA Forest Service and USDI Bureau of Land Management, Washington, D.C., 1984.

land (Table 8). It is interesting to note that the estimated values are comparable with rates in the BLM-FS grazing fee appraisal study ($4.68 to $8.55 per month for mature cows and $4.50 to $7.10 per month for yearlings).[4] They are also within the range of private land lease rates for the same time period ($5.50 to $10.00 per month for mature cows and $4.75 to $7.50 per month for yearlings).[4] The estimates also support reports from the appraisers that livestock producers do not differentiate between federal and deeded grazing land when negotiating lease rates for parcels with mixed ownership.[5]

It is also interesting to note that none of the rates estimated in this report using the sublease data approach the $1.40 rate charged permittees by the BLM-FS in 1983.

EFFECT OF DAY-TO-DAY OPERATIONS RESPONSIBILITY ON LEASE RATE

About 80 percent of cow-calf leases contained the provision for lessee to have responsibility for day-to-day operations (Table 9). The lessor had this responsibility in 16 percent of the lease transactions. For the few mature cow leases, the lessee was responsible for day-to-day operations in 53 percent of the cases and the lessor in the remaining 47 percent. Cattle leases indicated that 92 percent of the total held the lessee responsible for operations.

Yearling cattle leases were divided almost half and half between lessee and lessor for day-to-day responsibilities. Most of the 62 sheep leases (94 percent) indicated lessee responsibility.

The effects of responsibility for day-to-day operations on lease rates were estimated by using a dummy variable for partitioning the variation. Leases indicating lessee responsibility were used as base and other responsibility arrangements were measured as differences from this base for each class of livestock by unit of lease (Table 10). For cow-calf pair leases on a per month basis, lease rates were $3.30 higher when lessors had responsibility. On an animal month basis cow-calf leases were $1.71 higher for lessor responsibility than for lessee. Other comparisons are not valid due to the limited number of cases. It is logical that lease payments are higher when the lessor must provide more service for the lessee.

Mature cow leases averaged $2.12 higher in terms of head month when the lessor had responsibility for day-to-day operations. Cattle leases were $2.76 higher per head month when lessors had that responsibility.

Yearling cattle leases averaged $1.69 per head month or $2.60 per animal month higher when lessors had responsibility for day-to-day operations. Since almost all sheep leases held lessees responsible for operations comparisons to other arrangements are not meaningful.

LEASE RATES FOR FOREST SERVICE GRAZING LAND

Average rates paid for leases which included some Forest Service lands were calculated based on the relatively few cases available (Table 11). Comparisons are made between leases with Forest Service acreage representing 1 to 35 percent of total acreage in the lease vs. over 65 percent of the total acreage.

The average per month rate for all cow-calf leases was $7.05 (Table 11). Leases which involved only 1-35 percent of Forest Service land in total averaged $7.12 per month and leases with over 65 percent Forest Service land averaged $6.09. Cow-calf lease rates based on animal month followed a pattern similar to that above but differences were greater between low and high proportion of Forest Service land. There were 12 cases of leases for yearlings on head per month basis. Eleven cases contained 35 percent or less Forest land. The average lease rate was $5.59 for these cases.

The number of cases for sheep and other classes of cattle were too few to consider.

TABLE 1.—SUBLEASES ON BUREAU OF LAND MANAGEMENT AND NATIONAL FOREST GRAZING LAND, 1982–83

State	Bureau of Land Management		Forest Service		Total
	Cattle	Sheep (number)	Cattle	Sheep	
Arizona	44	2	2	0	48
California	48	2	15	0	65
Colorado	148	19	11	0	178
Idaho	52	0	5	1	58
Montana	165	5	15	0	185
Nevada	53	7	1	0	61
New Mexico	95	2	1	0	98
North Dakota	1	1	3	0	5
Oregon	29	0	6	3	38
Utah	37	6	1	0	44
Washington	5	0	1	0	6
Wyoming	226	35	17	2	280
Total[1]	903	79	78	6	1,066

[1]The right hand total exceeds the 994 subleases used in the analysis because a number of subleases included both BLM and Forest Service rangeland.

Source: Bureau of Land Management-Forest Service grazing fee appraisal study.

TABLE 2.—ACRES IN LEASES BY LAND OWNERSHIP AND BY STATE, 1982–83

[Acres in thousands]

State	Private deeded	Railroad	Corporation	State	Other Federal	National Forest	Bureau of Land Management	Total
Arizona	229.4	10.1	149.5	232.1	6.1	40.6	1,976.1	2,643.9
California	146.0	58.5	396.9			110.7	1,257.9	1,970.0
Colorado	778.9		3.6	154.2	6.3	54.8	646.8	1,644.6
Idaho	172.2			31.3	.1	2.8	3,745.7	3,952.1
Montana	1,721.4	16.0	48.7	153.3	68.4	8.0	650.9	2,666.7
Nevada	386.0	135.9	106.0			2.5	3,547.9	4,178.3
New Mexico	913.2		219.8	317.4	2.6	4.2	775.4	2,232.6
North Dakota	9.1			.6		4.1	.6	14.4
Oregon	198.2		3.0	6.2		45.3	154.4	407.1
Utah	60.3		19.9	25.2		.2	245.2	350.8
Washington	12.6			1.6		.2	2.4	16.8
Wyoming	1,225.9	42.0	122.0	186.3	13.3	17.5	1,244.4	2,851.4
Total	5,853.2	262.5	1,069.4	1,108.2	96.8	290.9	14,247.7	22,928.7

TABLE 3.—DISTRIBUTION OF LEASES BY PROPORTION OF FEDERAL RANGELAND IN PARCELS LEASED, 1982–83

Proportion of land	Bureau of Land Management	Forest Service[1]	Both
Up to 10	24	32	25
11 to 20	14	24	15
21 to 30	12	10	12
31 to 40	7	7	7
41 to 50	8	1	7
51 to 60	7	3	7
61 to 70	6	1	6
71 to 80	7	1	6
81 to 90	5	5	5

[4]See source in footnote 1, page 1.

[5]From personal conversation with supervisors of BLM-FS grazing fee appraisal study.

TABLE 3.—DISTRIBUTION OF LEASES BY PROPORTION OF FEDERAL RANGELAND IN PARCELS LEASED, 1982–83—Continued

Proportion of land	Bureau of Land Management	Forest Service [1]	Both
91 to 100	10	16	10
Total	100	100	100

[1] Percent of leases.

TABLE 4.—NUMBER OF LEASES BY TYPE OF ANIMAL AND PRICING UNIT, 1982–83 [1]

Animals	Price month	Head month	Animal month	Animal unit month	Total
Cattle	1	17	21	12	51
Mature cows		15	3		18
Cow-calf pair	518	4	148	10	680
Yearling cattle	2	131	29	2	164
Yearling lambs		7	8		15
Adult sheep	28	3	34	1	66
Total	549	177	243	25	994

[1] Does not include leases for horses and leases where the kind of animal was not identified. Also excluded are leases involving units other than those specified.

TABLE 5.—NUMBER OF LEASES BY TYPE OF ANIMAL AND PRICING UNIT, 1982–83 [1]

[Acres in thousands]

Animals	Price month	Head month	Animal month	Animal unit month	Total
Cattle	(2)	511.2	769.8	272.4	1,553.4
Mature cows		270.4	13.5		283.9
Cow-calf pair	6.314.5	28.0	3,546.9	283.0	10,172.4
Yearling cattle	21.3	4,122.9	463.0	48.9	4,656.1
Yearling lambs		58.1	42.2		100.3
Adult sheep	294.1	33.7	1,847.4	1.6	2,176.8
Total	6,629.9	5,024.3	6,682.8	605.9	18,942.9

[1] Does not include leases for horses and leases where the kind of animal was unspecified. Also excluded are leases involving units other than those specified.
[2] Less than 1.000.

TABLE 6.—AVERAGE LEASE RATE BY CLASS OF LIVESTOCK AND PRICING UNIT FOR GRAZING LAND INVOLVING SUBLEASES OF BUREAU OF LAND MANAGEMENT GRAZING PRIVILEGES, 1982–83

Class of livestock and pricing unit	Average all transactions	Proportion BLM acres in lease [1]			
		High		Low	
		Average	Leases (number)	Average	Leases (number)
Cattle:					
Head a month	$4.49	$4.16	7	$4.99	7
Animal month	5.11	6.23	8	5.00	9
Animal unit month	5.23	8.07	3	4.28	9
Mature cows: Head month	9.26	9.54	7	11.90	7
Cow-calf:					
Price per month	7.76	7.13	105	8.26	315
Head month	6.62	(2)		(2)	
Animal month	6.94	5.14	48	8.16	68
Animal unit month	6.19	6.57	5	5.71	4
Yearling cattle:					
Price per month	5.25	(2)		(2)	
Head month	6.52	5.54	22	6.63	88
Animal month	5.99	3.90	5	7.66	14
Animal unit month	5.00	(2)		(2)	
Sheep:					
Price per month	1.09	1.20	9	1.11	15
Head month	1.07	(2)		(2)	
Animal month	2.25	4.60	10	1.39	15
Animal unit month	2.22	(2)		(2)	

[1] The high proportion is over 65 percent BLM acres while the low proportion is less than 35 percent BLM acres in the lease.
[2] Insufficient observations.

TABLE 7.—ESTIMATED IMPACT OF LEASE SIZE AND PROPORTION OF BLM AND PRIVATE ACRES ON LEASE RATES FOR SELECTED CLASSES OF LIVESTOCK AND PRICING UNIT, 1982–83

Class of livestock	Dependent variable	Independent variable	R^2	Constant (dollars)	Regression coefficient (cents)	t-value of regression coefficient
Cattle	Head month	Percent BLM	.001	4.51	−.87	−.15
	Head month	Acres in lease	.00	4.49	−.95	−.60
	Head month	Percent private	.09	3.70	1.94	1.25
	Animal month	Percent BLM	.02	4.55	1.20	.59
	Animal month	Acres in lease	.03	5.32	−.57	−.74
	Animal month	Percent private	.12	6.55	−3.36	[1] −1.58
Mature cows	Head month	Percent BLM	.04	11.02	−3.14	−.73
	Head month	Acres in lease	.003	9.56	−.17	−.19
	Head month	Percent private	.16	7.16	5.83	[1] 1.59
Cow-calf	Price/month	Percent BLM	.03	8.44	−1.95	[2] −3.77
	Price/month	Acres in lease	.01	7.87	−.93	[1] −1.68
	Price/month	Percent private	.02	7.00	1.53	[2] 3.12
	Animal month	Percent BLM	.05	8.78	−4.03	[2] −2.66
	Animal month	Acres in lease	.02	7.33	−.17	[1] −1.81
	Animal month	Percent private	.09	4.45	5.78	[2] 3.82
Yearling cattle	Head month	Percent BLM	.02	6.83	−.97	[1] −1.54
	Head month	Acres in lease	.003	6.58	−.23	−.67
	Head month	Percent private	.02	6.10	.83	[1] 1.47
	Animal month	Percent BLM	.04	7.08	−2.66	−1.10
	Animal month	Acres in lease	.006	5.85	.13	.41
	Animal month	Percent private	.02	5.07	1.87	.77
Sheep	Price/month	Percent BLM	.02	.98	.25	.64
	Price/month	Acres in lease	.08	1.29	−19	[1] −1.53
	Price/month	Percent private	.005	1.15	−.14	[1] −.34
	Animal month	Percent BLM	.11	.90	3.00	[2] 2.02
	Animal month	Acres in lease	.02	2.13	.23	.74
	Animal month	Percent private	.10	3.63	−2.94	[1] −1.84

[1] Statistically significant at the 80 percent confidence level.

TABLE 7.—ESTIMATED IMPACT OF LEASE SIZE AND PROPORTION OF BLM AND PRIVATE ACRES ON LEASE RATES FOR SELECTED CLASSES OF LIVESTOCK AND PRICING UNIT, 1982–83—Continued

Class of livestock	Dependent variable	Independent variable	R^2	Constant (dollars)	Regression coefficient (cents)	t-value of regression coefficient

[2] Statistically significant at the 95 percent confidence level.

TABLE 8.—ESTIMATED SUBLEASE RATES FOR BLM GRAZING LAND [1]

Class of cattle	Pricing unit	Estimated sublease rate for 100 percent BLM grazing land
Cattle	Head month	$3.64
	Animal month	3.35
Mature cows	Head month	7.88
Cow-calf pair	Price/month	6.49
	Animal month	4.75
Yearling cattle	Head month	5.86
	Animal month	4.42
Sheep	Price/month	1.23

[1] Based on equations presented in table 7.

TABLE 9.—PROPORTION OF LEASES WITH DIFFERENT PARTIES RESPONSIBLE FOR day-to-day SUPERVISION OF PROPERTY AND LIVESTOCK, 1982–83

[In percent]

Class of livestock and pricing unit	Responsible party				Not identified
	Lessee	Joint	Third party	Lessor	
Cattle:					
Head month	82	6	—	12	—
Animal month	100	—	—	—	—
Total	92	3	—	5	—
Mature cows	53	—	—	47	—
Cow-calf:					
Price per month	76	4	—	20	(1)
Head month	75	—	—	25	—
Animal month	93	2	(1)	4	—
Total	80	4	(1)	16	(1)
Yearling cattle:					
Head month	45	2	—	53	—
Animal month	86	—	—	14	—
Total	52	1	—	47	—
Sheep:					
Price per month	89	4	—	7	—
Animal month	97	—	—	—	3
Total	93	2	—	3	2
All leases	77	3	(1)	20	(1)

[1] Less than one percent when rounded to whole numbers.

TABLE 10.—LEASE PAYMENT DIFFERENCES DUE TO THE PARTY RESPONSIBLE FOR day-to-day OPERATIONS USING DUMMY VARIABLES TO PARTITION THE VARIANCE, 1982–83

Number of cases	Livestock type	Unit of lease	Lessee	Joint	Third party	Lessor	Not specified
148	Cow-calf pair	Per mo	Base	$1.64	N/A	$3.30	$4.96
514		An. mo	Base	3.16	−1.21	1.71	N/A
15	Mature cow	Head mo	Base	N/A	N/A	2.12	N/A
17	Cattle	Head mo	Base	−2.40	N/A	2.76	N/A
21		An. mo	Base	N/A	N/A	N/A	N/A
131	Yearling	Head mo	Base	3.12	N/A	1.69	N/A
28		An. mo	Base	N/A	N/A	2.60	N/A
34	Sheep	An. mo	Base	N/A	N/A	N/A	−.65
28		Per mo	Base	−.87	N/A	1.38	N/A

TABLE 11.—AVERAGE LEASE RATE BY CLASS OF LIVESTOCK AND PRICING UNIT FOR GRAZING LAND INVOLVING SUBLEASES OF FOREST SERVICE GRAZING RIGHTS, 1982–83

Class of livestock and pricing unit	All transactions		Proportion of Forest Service acres in lease [1]			
			High		Low	
	Average	Leases (number)	Average	Leases (number)	Average	Leases (number)
Cow-calf:						
Price per month	$7.05	62	$7.12	30	$6.09	7
Animal month	6.11	18	7.70	9	4.52	3
Yearlings: Head month	5.20	17	5.59	11	3.67	1
Sheep: Price per month	.91	4	1.08	2	.74	2

[1] The high proportion is over 65 percent Forest Service acres while the low proportion is less than 35 percent Forest Service acres in the lease.

SUMMARY

There is an informal active market for subleases of federal grazing privileges. Data presented in this report indicate that livestock producers are willing to pay prices in excess of the current federal grazing fee for the right to use federal grazing lands. Although sublease fees charged in 1982–1983 were two to three dollars lower than the published private lease rate for that period, they were considerably higher than rates paid to the Federal government by producers holding the permit (Table 12). This suggests that, on average, the federal grazing fee is set lower than the true market value of the resource. It also suggests that livestock producers who subleased found it profitable to pay lease rates much higher than the current federal grazing fee for use of Federally owned grazing land at livestock prices which prevailed in 1982–83. It should be noted that the mixture of land ownership in the lease data of this analysis did have an influence on the lease rates.

TABLE 12.—*Comparison of monthly lease rate for cow-calf pairs for different fee sources, 1983*

Item:	*Lease rate dollars*
Federal grazing fee	1.40
Federal grazing sublease fee:	
BLM	7.76
Forest Service	7.05
Private land lease rate [1]	10.32

[1] Eleven state average as reported in Agricultural Prices. U.S. Department of Agriculture. Statistical Reporting Service, Washington, D.C., December 30, 1983.

[From the Los Angeles Times, May 23, 1989]

RANCHERS TURN A PROFIT BY SUBLETTING U.S. LAND

(By Mark A. Stein and Louis Sahagun)

Like a lot of western ranchers, Stan Davidson needs public grazing lands to survive. He owns a small ranch, but needs additional pasture in the spring and summer. Suitable land not owned by the government is too expensive to buy.

Unlike a lot of western ranchers, Davidson has to pay fair-market value for the public grazing lands he uses—and he pays it to t

competitors, who have exclusive government permits to graze those lands.

The permittees pay the Bureau of Land Management $1.86 a month for each cow allowed to graze the vast expanse of BLM-managed public land. Then they charge Davidson and others like him from $8 to $12 per month per cow. And they pocket the difference.

What they do is illegal. But since they have the permits, Davidson and many other small ranchers must pay, federal appraisers have found. Some pay in cash while others pay with livestock. Often, payments are concealed by arrangements that defy outsiders including the BLM, to uncover and prove.

Few of the ranchers who sublease public lands are willing to talk about it. Davidson spoke only as long as his actual name and state were not used. He and others said they fear ostracism by other cattlemen, and worry that if they are known to speak out they could find no place to graze their herds next year.

The reason he and others are so reluctant to talk is that subleasing public grazing permits for private profit—a practice that the BLM and cattlemen's groups say does not exist—illustrates what conservationists and other critics assert is wrong with the Bureau of Land Management's grazing program.

The trouble, they say, is that the grazing fee set by Congress and extended by presidential fiat is scandalously low. Not only does this fail to generate revenue to cut the federal deficit, it fails even to produce enough revenue to cover the cost of running the grazing program itself.

DAMAGE TO LAND

At the same time, critics argue, the fee is so low that it becomes economic to run cattle on sparsely vegetated lands, sometimes denuding them and turning them into desert, other times eradicating native grasses and leaving behind only unpalatable sagebrush.

Such problems are especially troubling, they say, because grazing occurs on more of the bureau's vast store of public land than any other single activity. Cows graze more than 170 million of the 272 million acres of BLM-managed land, an area larger than California and Nevada combined.

"Those impacts on wildlife and habitat are not worth the hamburger," said Larry LaPre of the San Bernardino Valley Audubon Society, noting the fact that only 2 percent of all domestic cattle rely on public range—fewer than the number of cattle grazed on private pasture in Florida alone.

Ranchers counter that BLM's fees are fair as they are, for several reasons. For example, public lands are by definition open to the public, increasing the danger of rustling. Ranchers using public lands also must install and maintain their own fences and sometimes roads, they add.

Several ranchers also applauded the BLM for several recent wildlife-enhancement projects, such as the reintroduction of bighorn sheep in some parts of Montana and the construction of waterfowl nesting habitats in Idaho.

However, a number of BLM workers privately concede that subleasing, common or not, does indicate that the grazing fee is too low and that low fees encourage overgrazing that threatens thousands of acres each year.

Attempts to raise the federal grazing fee—or to enact other reforms, such as trimming grazing allotments to reduce overgrazing—have met with ferocious opposition in Congress and, recently, the White House.

For example, after the BLM and the Forest Service jointly pursued an exhaustive 1985 study of more than 47,000 individual grazing leases throughout the West—the study that documented more than 1,000 cases of illegal sublets—an effort was launched in Congress to raise the grazing fee.

That effort was quashed by a 1986 executive order, signed by then-President Ronald Reagan, continuing the fee at $1.35 per "animal unit month," or AUM. This is the amount of vegetation an average cow consumes in a month, roughly about 800 pounds of forage.

Subsequent analysis of the raw government data by Colorado State University agronomists C. Kerry Gee and Albert G. Madsen led them to conclude that bureau grazing privileges were being subleased for an average of $7.76 per AUM in the early 1980s.

Therefore, a rancher with federal leases permitting him to graze 2,000 head of cattle each month on BLM-managed land could have realized more than $10,000 a month by simply subleasing the privileges on the black market.

BLM DENIAL

Despite the conclusions of the report it cosponsored, BLM officials flatly deny that subleasing occurs, at least not for profit. Rex Clary, who runs the BLM's district in the high desert rangeland around Susanville, Calif., said that any such profit would be seized by the government if the bureau knew about it.

He and others noted that the documents used to prepare the 1985 audit—and which allegedly proved rampant subleasing—were shredded in 1986 to satisfy a promise of confidentiality made to ranchers participating in the study.

Confidentiality was promised by the staff researchers, and bureau officials said that without the papers it is difficult to locate ranchers who illegally sublet their federal grazing rights.

Individual BLM staff members, however, say that little effort is made to uncover illegal sublets because they believe it would attract political pressures from the influential livestock industry.

By retracing some of the steps of the BLM and Forest Service appraisers who researched the 1985 study, The Times was able to confirm several subleases and learn anecdotally of others. But because of the controversy over the activity, participants discussed the practice only if promised anonymity.

Generally, public grazing privileges for which BLM charges less than $2 per AUM can be subleased by private permittees for whatever the market will bear, from $6 an AUM for poor-quality land to $10, $11 or even $12 an AUM.

In one extreme case, a rancher along the Idaho-Oregon border reportedly paid more than $26 an AUM—almost 20 times the government rate—to graze cattle on a parcel that was 97 percent public land. Thus, grazing privileges for which the permit-holder of record was charged only $891 were costing the evidently desperate cattleman $18,000. The arrangement lasted for three years.

HELPING HAND

Sometimes, permittees subleased their grazing privileges to help a neighbor in trouble or to give a head start to a young relative unable to pay the inflated land prices that dog ranchers in many parts of the West. Even in such cases of generosity, however, the fee charged by lessors has hovered around $6 per AUM, regardless of whether the public lands portion of the pasture is 20 percent or 77 percent.

Subleased land is not always wholly public land. Subleases have ranged from 100 percent public land in northern Montana to about 20 percent public land in north-central Oregon. Often, subleassees do not know that part of the land for which they pay $8 to $12 an AUM costs the lessor only $1.86 an AUM—the official BLM fee.

Just as often, they do not care.

"As high as the interest rates are, it [subleasing] is still cheaper than trying to buy something," said rancher Lloyd Jones of Hinsdale, Mont. He was quick to add that he owns his own land now and no longer leases any pasture—public or private—for the 250 head of cattle he runs with his son.

"People who are doing this [subleasing] are probably maintaining the fence and other things people don't think about," speculated John (Pat) Peterson of Castleford, Ida. He leases lands directly from the state and BLM and is not involved in subleasing.

"[Subleasing] is a little more expensive," Peterson said, "but [lessors] assume some of the responsibilities that the BLM doesn't do * * * like providing water and maintaining roads."

Critics, however, contend that BLM lands leased at $1.86 an AUM often offer the same features as adjacent private land that leases for four to six times that fee. Even where private and public lands are "checkerboarded" in a pattern of alternating "sections," or square miles, the price disparity persists.

TAXPAYERS' BURDEN

And the cost to taxpayers, they add, is substantial.

Rep. George (Buddy) Darden (D-Ga.) said the BLM and Forest Service collected a total of $26 million from grazing in 1984, while the two agencies' grazing programs cost $73 million to run. Taxes made up the difference.

In 1987, the latest year for which statistics have been published, BLM said it collected $14.3 million in grazing leases, licenses and permits. If the fee had been equal to the average amount reportedly charged by sublessors, the BLM would have collected $87.2 million—a sixfold increase.

BLM, which recently raised its grazing fee to $1.86 per AUM, sets that cost with a complicated formula that considers factors ranging from 1966 production costs to 1989 supermarket prices.

California, on the other hand, determines fees for its grazing program by using the same fees sought by nearby private pasture owners. Its fees range from $6 to $10 per AUM.

Gee and Madsen reported that government statisticians estimated the private lease rate at $10.32 per AUM in 1983.

Despite this, few expect the system to change.

"I don't think, in the final analysis, Congress has the guts to raise the fees or to radically restructure the [grazing] system," said Gerald Hillier, manager of BLM's California Desert District.

Darden has introduced legislation to raise the grazing fee by rewriting the federal fee-setting formula. The bill, however, has run into fierce opposition from several western politicians, including Sen. Pete V. Domenici (R-N.M.) and three Idaho Republicans, Sens. James A. McClure and Steve Symms and Rep. Larry E. Craig.

SPECIAL-INTEREST BILL

Some ranchers are not satisfied with simply blocking attempts to hike fees and have been looking around Washington for a member of Congress willing to sponsor a particularly aggressive piece of legislation.

The proposed bill, called the National Rangeland Grazing System Act, would, among other things, establish designated grazing zones that would essentially allow such public lands to be treated as the private property of ranchers.

For example, one section of the draft bill states that grazing would be the "dominant use" for federal rangelands, and that the government could protect wildlife and otherwise manage the public's property only "with the advice and approval" of the individual leasing the water and grazing rights.

The bill also would make it a felony punishable by 10 years in prison and a $10,000 fine for BLM workers to "present the private grazing permittee in a false light as a poor or incompetent grazer" by falsifying range conditions.

Rose Strickland of the Sierra Club said that such penalties are excessively harsh and would serve to further intimidate BLM range conservation specialists from ever challenging grazing practices on public lands.

Intimidation already is a frequent concern of many in the BLM, according to interviews with the employees themselves and congressional investigations into the problem.

An especially egregious example was reported recently by General Accounting Office investigators. It involved a BLM employee who stopped a certain rancher in the process of illegally cutting down trees on an environmentally sensitive piece of BLM property.

The rancher complained about the incident to several elected officials, who pressured BLM to relent. Swiftly, the BLM employee who stopped the rancher was ordered by his boss not only to apologize to that trespassing rancher, but also to personally deliver the illegally cut wood to the rancher's house.

RANCHERS CALLING SHOTS

"BLM is not managing [ranchers]," the GAO concluded. "Rather, [ranchers] are managing BLM."

All but a few of the dozens of BLM employees interviewed by The Times spoke candidly only with the assurance that their names would not be used.

"I don't want to become the next Bob Buffington," said one, referring to a former Idaho state director and 26-year BLM worker who had been targeted for demotion by BLM Director Robert F. Burford—and later ushered out of BLM completely—after speaking out against overgrazing and in support of a wilderness study program.

Meanwhile critics say Congress is not the only source of political heat on the bureau. They say BLM's grazing management policies often are influenced by political appointees within the upper management of the bureau itself.

Often used as an example of this is the problem of overgrazing by livestock that eat vegetation into extinction in some areas. The President's own Council on Environmental Quality has called overgrazing a leading cause of the growing amount of western rangeland turning to desert.

Hillier, manager of BLM's California Desert District, said BLM policy-makers blocked efforts to cut livestock numbers or otherwise adjust grazing practices until after years of range-monitoring data was collected. BLM leaders then cut the range-monitoring budget, forcing a reduction in the range-management staff and effectively freezing in place destructive grazing practices.

Congress traditionally relies on home-state lawmakers to set the agenda for issues of regional interest. This leaves BLM in the domain of lawmakers elected in rural western constituencies where cattlemen and miners usually are among the wealthiest, most influential and politically active citizens.

CONSTITUENT CONCERNS

Even those that aren't directly linked to the livestock industry realize to a certainty how critically important federal grazing lands are to a great many of their constituents.

Over the years, miners and livestock operators grew dependent on the public lands. Many western ranches, for example, have little summer or winter pasture of their own; their real value, and the income of their owners, depend largely on the right to graze nearby public lands.

In many cases, the right to graze public land, a right contained usually in 10-year leases but often handed down from one generation to another, is viewed as such a valuable and tangible real asset that banks will accept it to secure a loan.

The product of all these questionable influences on BLM's management policy is serious deterioration of public lands.

BLM estimates that 58 percent of its millions of acres of range is in fair or poor condition—that is, more than half of its native vegetation has been stripped by grazing livestock.

[From the Wall Street Journal, July 23, 1991]

BULL MARKET: BEEF PRICES STAY LOFTY AS RANCHERS AVOID USUAL OVEREXPANSION

(By Scott Kilman)

LISCO, NE.—Michael McGinley's cowboy hat blows off as he barrels across the rolling prairie in a blue pickup truck, kicking up plumes of dust. The 55-year-old rancher is in a frenzied chase after a hot commodity: a three-day-old calf that has run from the herd.

Suddenly, the frantic critter drops from view. Mr. McGinley yelps as he sees the animal has jumped down a steep bluff—and his truck is headed for a terrifying plunge. As the front wheels leap into space, the rear wheels catch on the slope's crest. The vehicle slams to a stop hanging precariously on the ridge. And the calf saunters away.

"Maybe it's the cattle that are getting smarter," Mr. McGinley says. His son returns on horseback to rope the stray.

Ranching has always been hard work, but now ranchers are minding their herds with extra vigilance. The reason: There's a bull market for beef, returning boom times to cattle country.

Prices for steak and roasts have hovered near record highs in recent months. In mid-July the average retail price of T-bone steak was $5.64 a pound, about 38% higher than it was five years ago, according to a 19-city survey by the National Cattlemen's Association. Last year, retail beef price rose 8.9%, outpacing the 5.8% overall rise in grocery-store prices.

LUCRATIVE LIVESTOCK

Higher beef prices have made ranching extremely profitable. Calves sold at 500 pounds fetched as much as $525 last fall, or about 20% more than they cost to raise. That price—$1.05 a pound—was a record, although not the highest price cattlemen have ever received if inflation is taken into account. So all across the Great Plains, ranchers are rounding up profits—and plowing them into new pickups, tractors or more frequent trips to Las Vegas.

Ranching is the strongest sector of the farm economy, much of which is in a downturn. Weak exports are depressing crop prices. Rising milk production is cutting prices received by dairy farmers. But the Agriculture Department expects 1991 cattle revenues to exceed last year's $40 billion record.

Thanks largely to the prosperity in cattle, Nebraska has the nation's lowest unemployment rate. Long-waning towns are resurrecting parades, and Main Street stores are renovating. In Alliance, a town of about 9,750 where Mr. McGinley shops for farm equipment, 12 businesses have started in the past two years. In Ogallala, "help wanted" signs festoon many shop windows.

"Everything was stagnant for years and then boom," says Tim Henderson, the grocer in Valentine, another town in the Sand Hills of western Nebraska. The Chamber of Commerce even hired its first full-time employee in May.

The cattle industry has gone through many boom-and-bust cycles before, but the latest upsurge is something of a surprise because health-conscious consumers have been showing less appetite for beef. Since peaking in 1976, per capita beef consumption in the U.S. has fallen by 28.6%.

Meanwhile, however, the size of the U.S. cattle herd has shrunk to a 30-year low. So the supply of cattle has fallen by even more than demand. Rising beef exports to Japan are also helping to push up prices.

Ordinarily, strong cattle prices soon lead to overexpansion, eventually bringing an end to the high prices and the ranchers' prosperity. But the last industry shakeout was particularly rough and wiped out a lot of ranchers, including many of the most aggressive ones. Those still in the business have been more conservative, and haven't stampeded to expand the size of their herds even as prices have risen.

At the same time the big slaughter-houses have bled red ink much of this year because they have too much capacity, leading them to bid up prices for thin supplies of beef. At least one deal on Wall Street has apparently stalled because of it. In January, Occidental Petroleum Corp. put its 51% stake in IBP Inc. on the block amid predictions it could fetch up to $1.5 billion. Then the industry started shutting plants and IBP the nation's largest meatpacker, started reporting quarterly losses. The "for-sale" sign is still out.

Economists, too, are being thrown off by ranchers' behavior. Since last fall, the Agriculture Department has been reporting that large numbers of young cattle are being placed on feedlots for fattening. But so far those numbers aren't materalizing as expected.

The ranchers vow it won't happen. "Nobody wants to be a cattle baron anymore," says Tom Hansen, a cattleman in North Platte. "We want to be baron-ettes."

This season, Mr. Hansen marched 1,400 cows, each with a calf, to summer range, the same number as last year and the year before that. Rather than get bigger, Mr. Hansen, who is 44, says he is content to spend his money in town to replace an old tractor and corral. He banks the rest.

Likewise, Mr. McGinley says the memory of past boom-and-bust cycles has made him more cautious this time. During the 1980s, he nearly lost his fourth-generation ranch. His father was an old-fashioned rancher who had a grace with cattle but little patience with the ledger. When cattle prices rose, he did what ranchers had always done: got bigger and lived better. When he died in 1976, the 18,400-acre ranch was overextended. That left Mr. McGinley to cope with a wary bank just as consumers' appetite for beef began to slip.

FAMILY BUSINESS

The experience taught him caution. Forced to find a new lender, he learned to make tough decisions such as selling part of his herd to raise needed cash, and giving up his hobby of racing horses. While his father had bought a new car every 30,000 miles, he got a used car and held on to it. Several relatives had more trouble on their ranches, scattering one of Nebraska's biggest cattle families.

It's impossible to tell from looking at Mr. McGinley, who says he eats beef 13 times a week, that ranchers are enjoying new prosperity. He looks like any hired farm hand in his grubby Wrangler jeans, faded work shirt and dusty cowboy hat, even though the Quarter Circle XL Co. ranch is easily worth $2 million. Being president means he deals with the accountant, banker, lawyer and cattle traders after long days on horseback. He lives in a modest ranch-style house on a tree-shaded hill along side his son, a nephew and a soft-spoken brother who does everything from work on windmills to fix tractors in the ranch's machine shop.

"We don't go hungry and wear rags," says Mr. McGinley. "But we don't go to damn conventions or take big trips."

In the past, his family used to keep the calves it produced until they were nearly a year and a half old before selling them to feedlot operators. But Mr. McGinley sells most of each year's calf crop each fall so he needn't run the risk and expense of keeping them over the winter. To protect himself against falling prices, he also hedges in the commodities markets.

He keeps 900 cows on his ranch, although it could support 1,000. To expand, all he would need to do is save some heifers—young females—and breed them instead of selling them. But prices for "feeder" calves are so high that he isn't willing to pass up current profits for the chance that the heifers' offspring might fetch a higher price two years from now.

Stopping on a hill in his pickup, Mr. McGinley scans the horizon. Ranchers here don't have to look far to see how quickly fortunes can shift. These are a people who literally built their houses on sand. The hill where the McGinley home is situated would blow away if it weren't for a railcar load of cement. The wind can turn a cattle trail into a deep gash, and rain washes out the primitive sand roads. Grass fires can suddenly blacken thousands of acres.

"These are the longest damn good times we've ever been in," says Mr. McGinley, spitting the brown juice of chewing tobacco on the sandy soil. "I don't want to be running it, again."

There certainly are plenty of temptations to spend money, though. His mailbox swells with pitches for insurance, investments and bovine doohickeys. A telemarketer from Florida interrupts his lunch. She had pitched him prairie-dog poison in the past.

Instead, Mr. McGinley is replacing a worn corral and repainting his barns for the first time in 14 years. Steel is replacing the wooden towers of the 32 windmills that pump water for his cows.

NATURAL CAUTION

Some economists believe that the advancing age of ranchers is another reason for their reluctance to expand. The farm crisis claimed many of the youngest ranchers. Mr. McGinley, who at 55 is about the age of the average rancher today, says his goal is to reduce the debt on his ranch before the next generation takes over.

In the meantime, he and other ranchers are doing all they can to keep profit margins up. When cattle prices have been this high in the past, farmers from elsewhere got into the business. They could get heifers by buying them from feedlots that fatten the animals for slaughter.

But this time, that isn't so easy. Now many Nebraska ranchers, instead of selling their cattle to feedlots, are paying feedlots to fatten the animals. By retaining ownership, these ranchers guarantee that the cattle end up at the meatpacker. And when they do sell the calves, some ranchers are even going so far as to spay the females so that buyers can't turn them into breeding stock. (Males are routinely neutered.) City slickers, too, have pulled in their horns since tax reform put an end to owning cattle as a tax dodge.

Still, prices of cattle futures contracts at the Chicago Mercantile Exchange have slipped for several weeks on speculation that ranchers can't fight their herd instinct much longer. If even a small number of ranchers expand, the beef supply could rapidly grow. In addition, cattle numbers can be increased more quickly than in the past; because of genetic improvements, a steer can reach slaughter weight of about 1,150 pounds in as little as 14 months—which is several months less than it usually took in the 1970's.

Moreover, some ranchers must be buying land because the price of grazing land has been rising. Mr. McGinley worries that low milk prices could prompt Congress to repeat a program it once enacted of paying dairy farmers to slaughter milkcows, thus creating a meat glut.

"I can't say yet that things have permanently changed," he says as he lifts a bag of salt from the back of his truck and carries it to a wooden feedbox beside a windmill. "If times stay this good I'm not convinced that a bust won't happen again."

For now, that fear is keeping him and other ranchers from expanding.

[U.S. General Accounting Office, Briefing Report to the Chairman, Environment, Energy, and Natural Resources Subcommittee, Committee on Government Operations, House of Representatives, June 1991]

RANGELAND MANAGEMENT: CURRENT FORMULA KEEPS GRAZING FEES LOW

GENERAL ACCOUNTING OFFICE,
Washington, DC, June 11, 1991.

Hon. MIKE SYNAR,
Chairman, Environment, Energy and Natural Resources Subcommittee, Committee on Government Operations, House of Representatives.

DEAR MR. CHAIRMAN: On December 27, 1990, you requested that we review the soundness of the existing formula for computing grazing fees on most federal lands. You asked that we compare the existing formula with alternatives set forth in the 1986 Grazing Fee Review and Evaluation Report, prepared jointly by the Forest Service in the Department of Agriculture and the Bureau or Land Management (BLM) in the Department of the Interior, using updated cost-of-production and pricing data.

In response to your request we briefed you, other Members of Congress, and other interested parties on our findings at a May 16, 1991, open briefing. This briefing report outlines our overall findings and observations and serves to formalize the information we presented during that briefing.

In summary, the soundness of the formula must be viewed in the context of the primary objective to be achieved. The current formula meets an objective of promoting the economic stability of western livestock grazing operators with federal permits by keeping grazing fees low. If other objectives are to be achieved, however, the formula is less successful. For example, it does not achieve an objective of recovering reasonable program costs because it does not produce a fee that covers the government's cost to manage the grazing program. Furthermore, it does not meet an objective of providing a revenue base that can be used to better manage and improve federal lands so that they will remain a productive public resource in the future. In this regard, all other formula alternatives we studied would produce higher fees than the current formula and tend to increase the fees faster over time.

Relatively low fees are an inherent result of the existing formula's design. The formula begins with a low base grazing fee value and adjusts this value in subsequent years using an index that heavily weighs factors aimed at measuring rancher "ability to pay." The formula includes these ability-to-pay factors twice using a mathematical design that has served to suppress increases in the fee over time. As a result, the federal grazing fee is 15 percent lower now than it was 10 years ago. This contrasts with a 17-percent increase in private grazing land lease rates over the same period.

In conducting our review, we examined numerous existing studies on grazing fees conducted by the Department of Agriculture and the Department of the Interior, universities throughout the West, and various interest groups. We also obtained assessments of the formula from a number of economists knowledgeable about ranching economics, state and federal agency officials, livestock industry representatives, and representatives of environmental groups. With the assistance of a consulting agricultural economist, we analyzed the technical merits of the existing formula designs. Finally, we computed the grazing fee outcomes from the alternative formulas using updated cost and pricing data obtained from the Department of Agriculture.

As you requested, we did not obtain official agency comments on a draft of this briefing report from the Department of Agriculture or the Department of the Interior. However, information was discussed with Forest Service and BLM officials during the course of this assignment. Our review was performed in accordance with generally accepted government auditing standards.

As agreed with your office, we plan no further distribution of this briefing report until 7 days from the date of this letter. At that time we will send copies to the Secretaries of the Interior and Agriculture and other interested parties and make copies available to others upon request. If you or your staff have any questions concerning this briefing report, please call me at (202) 275-7756. Other major contributors to this briefing report are listed in appendix I.

Sincerely yours,

JAMES DUFFUS III,
Director, Natural Resources Management Issues.

SECTION 7

ASSESSMENT OF PRIA FORMULA'S PERFORMANCE IN MEETING OTHER OBJECTIVES

PRIA Does a Poor Job of Meeting Other Objectives

Fee has not followed the rise in grazing land lease rates paid by operators on private lands.

Fee does not cover government's costs of managing the grazing program.

Fee does not provide funding for an adequate level of resource protection.

In addition to doing a poor job of mirroring changes in fees paid by ranchers leasing private grazing land, the existing grazing fee formula is not generating grazing fee revenues sufficient to cover the amount spent by federal agencies to conduct their current level of grazing program management. The current grazing fee is $1.97/AUM. In contrast, the Forest Service reports that it costs $3.86/AUM to manage its livestock grazing program. While not reporting a cost per AUM figure, BLM says its livestock grazing management costs represent 60 percent of its total rangeland management budget. This livestock management-specific portion of its rangeland management program totaled about $21 million in fiscal year 1990. Gross grazing fee receipts during this same year were about $19 million.

We did not assess the validity of the breakout BLM uses to determine the costs of its livestock grazing management effort. However, two pieces of information suggest that BLM program management cost estimates may be understated. First, BLM figures suggest that its costs per AUM are about half those of the Forest Service. Second, BLM's current cost estimates are less than estimates BLM reported in 1986 ($2.44/AUM).

In any event, the loss incurred by the U.S. Treasury for conducting the federal grazing program is even more dramatic than may first appear because the Treasury retains, at most, only 37.5 percent of the grazing fees collected. Of the gross federal grazing fee revenues, between 12.5 percent and 50 percent of BLM collections (depending on the administrative authority under which the land is managed) and 25 percent of Forest Service collections are returned to the state and county governments in which they were collected. In addition, 50 percent of the collections are returned to BLM and the Forest Service to fund various range improvements (fences, water developments, etc.) and are not available to offset management expenses funded through federal appropriations. The range improvement funds ultimately expended are in addition to the program management costs discussed above.

Furthermore, as we have demonstrated 'n many previous reports[1] and as BLM and the Forest Service have recognized, existing levels of program management and range improvement are insufficient to perform all important management functions and restore lands damaged by previous grazing activity. Among the functions we have shown to be receiving insufficient resources are livestock grazing trespass enforcement, grazing allotment monitoring, allotment management planning, and riparian area restoration. Consistent with our findings, a 1990 BLM report found that the agency needed a nearly 50-percent increase in its range management budget from fiscal year 1989 levels to accomplish its program management objectives.[2]

SECTION 9

STATES AND OTHERS EMPHASIZE DIFFERENT OBJECTIVES

States

States generally place greater emphasis on raising revenues.

State revenues are largely used to finance education-related activities.

Virtually every western state charges more than the federal government under PRIA.

Subleasers

Permit holders subleasing their permits to other livestock operators also emphasize the enhancement of income.

Sublease payments are an indicator of market value.

A study of nearly 1,000 subleases, prepared by two Colorado State University faculty members, showed charges that averaged more than $7/AUM. In some cases, this rate was affected by services provided by the permit holder at an average value of $3.30. This would indicate that, in these cases, the net charge for forage alone was $3.70.

Federal Agencies

Federal agencies charge varying fees to achieve differing objectives on some of their lands.

On McGregor Range (Department of Defense land managed by BLM) in New Mexico, BLM attempts to obtain revenues that cover costs relating to improvements such as fences and water supplies. A weighted average charge of $4.60/AUM is proving to be insufficient to keep all existing water systems operational.

For the approximately 150 national wildlife refuges that permit livestock grazing, Interior's Fish and Wildlife Service directs refuge managers to set rates that are comparable to local market conditions based on market surveys. Market surveys are to occur at least every 3 years and are to reflect comparability in forage and privileges. Fees therefore vary from refuge to refuge. Fees charged in 1989 included $3.63/AUM for upland range on the Sheldon National Wildlife Refuge in Nevada, $5.90/AUM on the Browns Park National Wildlife Refuge in Colorado, and $6.72/AUM for meadows on the Hart Mountain National Antelope Refuge in Oregon.

BLM and the Forest Service, in assessing charges for grazing trespass, charge an amount that is derived from the value of grazing on private lands. This rate is $9.19/AUM for BLM and $6.08/AUM for Forest Service.

SECTION 11

CONCLUSIONS

If minimizing the burden to the permittee and keeping fees low and relatively stable are the primary objectives, the PRIA formula keeps fees lower than any of the alternatives studied.

If the primary objective is to track changes in forage prices paid on private lands or to recover the government's costs of administering the livestock grazing program and provide an adequate level of protection for the land, substantial revisions would be needed. Current fees are insufficient to cover the costs of the existing grazing program, and as we have demonstrated many times previously, current program funding levels are insufficient to perform all important management functions.

A formula that many economists we interviewed preferred to the existing PRIA formula would adjust a base value by a single index and make no additional adjustments for rancher ability to pay.

Any formula would need to be revisited over time to make certain it is still meeting established objectives.

APPENDIX I

MAJOR CONTRIBUTORS TO THIS BRIEFING REPORT

Resources, Community, and Economic Development Division, Washington, D.C.

Bob Robinson, Assistant Director.

Eileen Cortese, Staff Evaluator.

Mary Alice Hayward, Staff Evaluator.

Seattle Regional Office

Jim Luckeroth, Evaluator-in-Charge.

Brent Hutchison, Staff Evaluator.

Stan Stenersen, Reports Analyst.

JULY 3, 1990.

Mr. J. DAN O'NEILL,

District Assistant for Congressman Morris K. Udall, District Office, Tucson, AZ.

DEAR MR. O'NEILL: Thank you for your letter of June 5, 1990, detailing the Clarke Ranch dilemma over Internal Revenue Service tax assessments in connection with several family transactions affecting the Clarke ranch since the early 1980's. This matter has been previously addressed by the Forest Service field and Washington offices in communications to the Clarkes and to the IRS. For your convenience, we enclose copies of the more recent agency correspondence.

Your letter expressed the Clarke's frustration over the apparent conflict between positions held by two government agencies, and indeed we agree that the Clarkes' situation is most difficult. However, we believe resolution of their dilemma must come from the IRS, as the Forest Service position is not adverse to the Clarkes' interest and supports the result they seek.

Based on a long-standing statutory and regulatory framework for the issuance and administration of grazing permits, the Forest Service consistently has maintained that these permits constitute only licenses or privileges for the use of federal land for forage. The use is highly circumscribed, is limited to the particular party who meets the necessary requirements for ownership of base land and cattle, is revocable according to its terms, and is not transferable. As such, the permits convey no right, title, or interest in the federal land, and significant case law has upheld this interpretation.

There is a sophisticated distinction between the Forest Service's characterization of the grazing permit, and the IRS's treatment of that same instrument when it applies its own statutory requirements. The Forest Service states that the permit has no value in and of itself because of the many limitations noted above and their statutory and regulatory derivation. The Forest Service must retain absolute dominion and control over the grazing lands which it administers. To concede to the using public some degree of property right in those lands would be contrary to the very authorities which allow grazing use of National Forest System lands.

By contrast, the IRS sees the grazing permit as yet one more appraisal factor in determining the value of taxable property for gift or estate tax purposes. It cannot be ignored that the value of a private ranch may be enhanced by many factors, including its location, annual rainfall, available water rights, and available ancillary grazing opportunities, to name a few. But it is the value of the rancher's own property, and not the value of any associated federal property, that seems to be the basis for the IRS assessment. The IRS does not urge that the rancher has a property right in a permit, but seems to argue that even having access to a permit, according to appraisal principles in the marketplace, can increase the value of private property.

Again, the Forest Service does not recognize that a grazing permit has a separate and distinct value, and this view is entirely consistent with its statutory authorities. The IRS treats overall valuation of a taxable property, and the myriad factors it considers

[1] A list of these reports is included at the end of this report.

[2] *State of the Public Rangelands 1990*, United States Department of the Interior, Bureau of Land Management.

as raising or lowering value, as a distinct process based on different concepts. This Department does not believe that the IRS's position should affect the Forest Service's managerial discretion carried out under the authorities which govern the grazing use of National Forest System lands.

We hope that the Clarkes will achieve an equitable resolution with the IRS. To the extent we may assist the Forest Service in further dialogue with the Clarkes or the IRS, we shall be glad to help.

Sincerely,

ALAN CHARLES RAUL,
General Counsel.

STUDY OF FEES FOR GRAZING LIVESTOCK ON FEDERAL LANDS

(A report from the Secretary of Agriculture and the Secretary of the Interior, October 21, 1977)

EXECUTIVE SUMMARY

This report was prepared in response to Section 401(a), the Federal Land Policy and Management Act of October 21, 1976. It directs the Secretary of Agriculture and the Secretary of the Interior to jointly conduct a study to determine the value of grazing with a view to establishing a fee which is equitable to the United States and to holders of grazing permits and leases. The Assistant Secretary of the Interior and the Assistant Secretary of Agriculture directed the organization of a Grazing Fee Task Force to prepare the "Report of the Secretaries." The report includes the history of grazing fees, discussion of issues related to fees, presentation of alternative fee determination procedures, outlines opportunities for further analysis, research or testing, and the Secretaries' recommendations and conclusions.

The recommendations of the Secretary of Agriculture and the Secretary of the Interior are an endorsement of the principles of the current (1969) fee system, with modifications. The recommendations include: (1) continuation of private rental rate data to compute annual fair market value (FMV) adjustments; (2) the adjustment of fees to FMV, subject only to a provision limiting annual fee changes to 25 percent of the previous year; (3) after fair market value is reached, a 12-percent limitation on annual fee increases or decreases; (4) a limited variable fee provision, and (5) continued study and refinement of data used in the determination of fees.

These recommendations are based on the collection of fair market value as the basic policy for setting grazing fees on public lands. They are consistent with long-standing Federal Executive policy as well as the policy statement in the Federal Land Policy and Management Act of 1976 on the collection of fair market value.

Seven basic alternative procedures for determining fees on public lands were considered: (1) the current (1969) fee system; (2) a modification of the 1969 fee system, recommended as the 1978 Public Land Fee System; (3) American National Cattlemen's Association (now the National Cattlemen's Association) proposal; (4) House Interior Committee proposal; (5) Technical Committee (1976) proposal; (6) American Farm Bureau Federation 1977 proposal; and (7) competitive bidding. The proposals considered and rejected have deficiencies which make them less suitable than the procedure recommended.

The factors of cost of production, differences in forage values, equity, and reasonableness have been carefully considered throughout the preparation of these recommendations. A distinction has been made between the collection of fees for grazing use of public lands, and the economic and drought-related problems of the livestock industry. The adjustment of grazing fees for public land permittees as a small segment of the livestock industry is not an appropriate means of assistance to the western livestock producers.

The inclusion of permit value as a nonfee cost in the calculation of the base fee is not recommended as it is inconsistent with the policy of collecting fair market value. Reduction of fees by inclusion of permit value, which has been derived from past low fees, would guarantee that future fees remain below fair market value and that equity to the general public and to other livestock producers would not be achieved.

Several variable fee proposals were considered. These proposals would require different fees for different situations based on factors such as: forage quality and quantity, season of use, size of animals, pounds of animal gain, topography, and range improvement costs. Most of the variable fee options explored are measured or valued by physical characteristics that do not measure or have a direct correlation with market (economic) values.

Under the recommended 1978 Public Land Fee System, there would be, in 1978, a single fee of $1.89 per animal unit month for all livestock grazing on BLM and FS-administered lands included in the Act. The grazing fee would be significantly higher under the current regulations with average fees on National Forests at $2.15 and at $2.09 for BLM if the recommended system is not adopted. Those permittees who graze livestock on National Forests and whose fees are below $1.51 in 1977 will be subject to the 25-percent limitation and will have 1978 fees of $1.81 to $1.88 per animal unit month.

APPENDIX A.—PUBLIC RANGELANDS GRAZING: ALL IS NOT WELL ON THE LAND

NUMBER AND PERCENT OF LIVESTOCK PRODUCERS IN THE 16 WESTERN STATES WITH FOREST SERVICE AND BLM GRAZING, 1983

State	Total producers [1]	No. of producers with Federal grazing	FS BLM	Total Federal	Adjusted Federal [2]	Federal percent of total [3]	Dependency
Arizona	3792	625	931	1,556	1,323	35	60
California	26,579	953	1,009	1,962	1,668	6	15
Colorado	16,127	1,842	1,908	3,750	3,188	20	25
Idaho	15,980	1,640	2,383	4,023	3,420	21	23
Kansas	47,008	.....	11	11	11	(4)	.....
Montana	15,822	1,308	4,032	5,340	4,539	29	11
Nebraska	39,555	114	39	153	153	(4)	13
Nevada	1,786	320	716	1,036	881	49	36
New Mexico	9,189	1,285	2,626	3,911	3,324	36	44
North Dakota	18,548	.....	100	100	100	(4)	.....
Oklahoma	58,236	28	11	39	39	(4)	.....
Oregon	21,811	762	1,357	2,119	1,801	8	23
South Dakota	27,000	416	474	890	756	3	12
Utah	8,757	1,683	1,887	3,570	3,035	35	35
Washington	20,147	232	474	706	600	3	13
Wyoming	6,428	886	1,004	1,890	1,607	25	23
Total	336,765	.....	.....	.....	26,445	8	.....

[1] 1982 Census of Agriculture, Table 11, pg. 218–224. No. of Farms with cattle and calves.
[2] Fifteen percent of permittees have both FS and BLM grazing.
[3] Percent of Producers/State with Federal Permits.
[4] Less than/1 percent.

GRAZING FEES

The Forest Service (FS) and the BLM administer livestock grazing on approximately 307 million acres of public rangelands. These lands can provide ranchers with over 21 million animal unit months (AUM) of grazing each year. A 1986 study by the FS and the BLM estimated the market value of forage in six western regions to be between $6.10 and $11.10 per AUM (in 1988 dollars). The BLM and FS spend, on average, $2.50 per AUM to manage these rangelands. In contrast, the 1989 permit fee was $1.86 per AUM under the fee formula established by the Congress. Thus, the current fee structure represents a large subsidy for a relatively small group of ranchers.

Various bills have been introduced in the Congress recently to increase the fee charged for grazing. These bills would either adjust the indices used in setting the fee to reflect livestock markets and leasing rates for private rangeland or replace the existing fee structure with a new modified market value. The increase in federal receipts resulting from either of these measures depends on the degree to which ranchers reduce the size of their grazing stock as a result of the increased fees.

The potential budgetary savings that would result under a revised fee structure was estimated by inflating the 1966 base value of these grazing lands. The base value of $1.23 per AUM used in the current fee structure was inflated to $4.28, using the GNP deflator, and then increased by a rate that reflects the fair market value of these lands. Assuming a 20 percent to 50 percent decrease in total AUMs over the 1991–1995 period, the adjusted fee of $6.50 per AUM would raise about $20 million in additional receipts in 1991 and $100 million over the 1991–1995 period. Currently, 50 percent of all grazing fees go into the Range Betterment Fund. In esti-

mating these savings, deposits to the fund were capped at $30 million a year, roughly three times the current level. This cap reflects an estimate of how much the fund could spend, at least over the next several years.

Increased fees for grazing on public lands may overstate the value of public lands compared with private lands that may be in better condition or have more favorable lease terms. In addition, low fees may encourage permit holders to invest in range improvements and to practice good stewardship over the land by grazing only at permitted levels. A potential disadvantage of increased fees is that they would cut ranchers' profit margins and thus might encourage them to break the grazing limits and forgo range improvements. Between 1979 and 1983, however, ranchers spent, on average, only $0.16 per AUM per year for range improvements. Increased funding from the Range Betterment Fund would offset any decrease in private range improvements. Providing ranchers with longer-term leasing agreements, regardless of their fee level, could promote efforts to minimize overgrazing.

As an alternative to setting fees, grazing rights could be allocated through a competitive bid process similar to the system used by the Bureau of Indian Affairs. Disadvantages of this approach may be high administrative costs and limited competition. In many cases, only the owners of private lands adjacent to federal lease tracts would be willing to bid for grazing rights. (Current law requires permit holders to own a base property adjacent to the federal lease tracts.)

Mr. JEFFORDS. I have a feeling this is not going to be the last time we have this debate. Thus, I want to make sure we have a record that can be examined by my colleagues so they can better understand where we are coming from and the facts that we have.

I also want to reiterate what I want to do and what I have offered. As long as the Government costs are paid for out of these leases, before distribution to local communities, then I would go in with the recommendation of Dr. Obermiller which is the fee be raised $2.49 and have the same forage value index as my amendment. That will take care of my two greatest concerns—the first is fairness of equity. The fee would still be way below the fair market value of what others pay. Second, the taxpayers would not carry the burden of this very, very nice deal that these permittees have.

With that, Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. The Senator indicated he wished to reserve the remainder of his time because he had requested previously 3 minutes?

Mr. JEFFORDS. Such time that I have.

The PRESIDING OFFICER. 3 minutes and 9 seconds.

Mr. JEFFORDS. I reserve the remainder for closing.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from Wyoming.

Mr. WALLOP. It is difficult to keep raising confronted misinformation. The record will show the Senators if Senators do examine it, what has been proposed here and put out here is simply false, all that about oil companies and about the Utah cattlemen and a lot of other things are simply false.

I yield 2 minutes to the Senator from Colorado [Mr. BROWN] and the balance of time to the Senator from New Mexico [Mr. DOMENICI.]

The PRESIDING OFFICER. The Senator from Colorado is recognized for 2 minutes.

Mr. BROWN. Mr. President, I thank the Senator from Wyoming.

It is appropriate to review grazing fees from time to time—but the more than fourfold increase in the House-passed bill, and the twofold increase in the pending Jeffords-Metzenbaum amendment would simply eliminate grazing on some public lands that now produce revenue.

In reviewing this issue, we ought to take into account the value of the land that is grazed, and grazing permit holders should be given the credit they deserve for making improvements by deducting the value of their improvements from their grazing fees.

The Jeffords-Metzenbaum amendment:

Unfairly targets ranchers and places a huge financial burden on their production costs;

Will eliminate grazing on some public lands that now produce revenue; and

Will impair the management of public lands.

There is a misconception that ranchers pay only a small fraction of the rental value of public lands. This is simply not the case.

According to 1984 and 1990 studies conducted by Colorado State University and Utah State University, respectively, the cost of operating on public lands is not just the grazing fee, but the cost of acquiring a lease and the base land, labor for maintenance normally provided by a private lessor, and additional stock loss as a result of dispersed operations. When coupled with the present grazing fee, studies show the cost of operating on public land range anywhere from $12 AUM to $17 AUM, not just the $1.97 AUM alleged by proponents of increased fees.

Ranchers that graze livestock on public lands, not only pay for forage consumed, but also usually pay for improvements to the public lands, including fencing and construction and maintenance of water supplies. They are an integral part of the multiple-use concept that governs Federal stewardship of the public lands.

Ranchers receive no credit for the cost of many of these improvements. On Federal grazing lands, the Government owns all the improvements made by the grazing permittee, and there is no compensation if the grazing permit is lost. On Federal lands, the Government will not provide maintenance for such improvements.

In addition to revenues collected from the grazing fees, public lands are in better condition as a result of the current grazing. Officials from the Forest Service and the Bureau of Land Management have indicated that conservation pactices of ranchers have improved the wildlife habitat and resulted in an increased elk, deer, and antelope population on public lands.

According to the Public Lands Council, public lands make up 50 percent of the total forage for sheep operations in Colorado, Montana, Wyoming, Utah, New Mexico, and parts of Idaho, and as much as 82 percent of the total forage used for sheep in Utah, Nevada, and southern Idaho. At the same time, 20 percent of all feeder cattle in the United States have been grazed at some point on public lands.

If this new grazing fee is approved, these higher costs to grazing permittees won't stop at the barn door. We will all see the impact of this increase at the grocery store. I hope the Senate will recognize the economic and environmental benefits of grazing operations on public lands and reject this attempt to push ranchers off public lands.

Mr. President, the cattle business grazing on public lands is an area that has attracted widespread attention and that attention has been one focused publicly I think on this subject that we ought to ask fair payment for the return of use of public lands.

I stand here to echo that sentiment. I think we ought to have fair compensation. In my view, those lands ought to be priced at a level comparable to their value to what the market price is.

Mr. President, the simple fact is that the amendment before us does not do that. For many areas, it places them far above what their values are. There are many experts that have come forth to talk about that value, but for Senators who are sincerely interested in that subject, I suggest they read the university studies that are available, and the conclusion of those studies is one clear, unrefutable fact that their prices are not significantly out of line—some are too low and some are too high. But to suggest that you ought to double, triple, or quadruple the prices to put them in line simply reflects ignorance of the subject.

The simple fact is this: The folks who have brought this information before the floor I suspect are not experts. As knowledgeable and brilliant as they are, I suspect they are not experts in the cattle business or the land business, are not experts on grazing on the public lands.

I think it is important that all of us who are called on to legislate on matters that affect other people's States, to know what you are talking about

before you bring to the particular legislation that which will cause a devastating impact on the economies of other States.

The State of Colorado has 37 percent of its lands in public land. We are proud of that. But to suggest that people who are not familiar with the way that land lies, not familiar with the economies involved, not familiar with the land itself, should make the decision on how that public land is used when they do not possess the basic facts and understanding of the industries of the business involved I think is a disservice to the men and women of this country, and I think it is bad legislation.

I urge the defeat of the amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator's 2 minutes have expired. The Chair will state to the Senator from New Mexico and the Senator from Vermont, they each have approximately 3 minutes remaining.

The Chair is going to move to the other matter at 2:15. That will leave each Senator with approximately 1 minute of time left over if they wish to divide it in that fashion.

I inquire of the Senators if they wish to do that, each take half of their 4 minutes now, because I do not want one left with time left over.

Mr. WALLOP. I suggest you divide it in half and just do it, rather than argue about it.

The PRESIDING OFFICER. We will proceed in that fashion. The Senator from New Mexico.

Mr. DOMENICI. I first want to thank all the Senators who participated in this debate. I think our fellow Senators will understand from just the presence of so many Senators on the floor to argue in behalf of the cattlemen and sheepmen in their State, it would indicate this is a serious issue. So I thank all of them.

I have talked to a number of Senators who do not have any public domain, and they are going to vote with us today. I do not know if we have enough, but a number of them are, and I want to thank them in advance for their consideration and fairness, because that is what we are seeking here today.

It is indeed peculiar that Senators are arguing against the ranchers and sheep men in my State, in Wyoming and Colorado, because of some alleged subsidy, and some of the very same Senators come to this floor and propose such things as the dairy subsidy. Let me tell my colleagues, we are a bush league team compared to dairy subsidies. Dairy subsidies are $800 million a year right smack out of our taxpayers' pockets. We do not get one penny more than we pay. But somebody wants to value our land. And they say theoretically there is a big subsidy.

As a matter of fact, there is a subsidy only if what you are charging those cattlemen and sheepmen exceeds some real fair market value. And it does not have anything to do with the value of private property. Private property and public domain under the Forest Service or the BLM is like renting an apartment that has all of the furniture and utilities furnished, and a totally vacant apartment, and then say it is an apartment so charge the same for the one that is totally unfurnished and with no utilities. It is absolutely absurd.

The PRESIDING OFFICER. The Senator has 1 minute remaining. The Senator from Vermont.

Mr. DOMENICI. I have 1 minute remaining? I thank the Chair. I would prefer to finish and let him have his 4, if you do not mind.

The PRESIDING OFFICER. The Senator from New Mexico has the floor and will finish his statement, but we will go back to this matter after the votes.

The Senator from New Mexico.

Mr. DOMENICI. I do not understand what the Chair is saying.

The PRESIDING OFFICER. At 2:15 we are going back to the transportation bill.

Mr. DOMENICI. I do not want to reserve any time. I want to move to table when his time is up, as far as I am concerned.

The PRESIDING OFFICER. Under the previous order we, at 2:15, will move over to the other matter and then we will come back to this matter.

The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I wish to reserve my time until just before we vote.

I ask unanimous consent to do that.

The PRESIDING OFFICER. The Senator will not have to ask unanimous consent. The Senator's time has run. We are now at 2:15. Whatever time is remaining to the two Senators will be given to them under the order after time has expired.

It is 2:15. Under the previous order the Senator from New Hampshire, Mr. SMITH, is to be recognized to offer an amendment in which there will be 20 minutes of debate, 15 minutes controlled by the Senator from New Hampshire and 5 minutes for the opponents.

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

The PRESIDING OFFICER. The clerk will report the bill because pursuant to the previous order, the hour of 2:15 having arrived, the Senate will return to the consideration of H.R. 2942.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2942) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1992, and for other purposes.

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from New Hampshire, Mr. SMITH, is recognized to offer an amendment.

AMENDMENT NO. 1158

(Purpose: To provide that appropriations for highway demonstration projects be distributed to the States in the ratio which was established under the "Surface Transportation Efficiency Act of 1991")

Mr. SMITH. 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 New Hampshire [Mr. SMITH] proposes an amendment numbered 1158.

Mr. SMITH. 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 27, line 11, strike all through page 30, line 2, and insert the following:

For up to 80 percent of the expenses necessary for programs under the Surface Transportation Program, $387,535,000, to be provided to the State on a per centum share equal to such State's on a per centum share of all apportionments and allocations received under this title for each of the fiscal years 1987, 1988, 1989, 1990, and 1991, excluding apportionments and allocations received for the Interstate Construction, Interstate Substitute, Federal Lands Highways and Emergency Relief Programs, all apportionments and allocations received for demonstration projects, and the portion of allocations received pursuant to section 157 of title 23, United States Code, (relating to minimum allocation) that is attributable to apportionments made under the Interstate Construction and Interstate Substitute Programs in such years, except that in calculating a State's per centum share under this paragraph, each State shall be deemed to have received one-half of 1 per centum of all funds apportioned for the Interstate Construction Program for each of the fiscal years 1987, 1988, 1989, 1990, and 1991.

Mr. SMITH. Mr. President, I would like to start by saying I apologize for any inconvenience to my colleagues in terms of the timing for discussion of this amendment. It was my understanding from previous agreements that the agenda was to move over to Interior and then come back to this legislation this afternoon. Apparently there was some attempt to wrap it up by 12:30. I kind of got caught in the crunch.

I have agreed to 15 minutes of debate on this matter, although I would have preferred more time. I have agreed to do that for the convenience of my colleagues, as I know many want to leave for the holiday.

The issue regarding this amendment is a very simple one of fairness. The

Environment and Public Works Committee recently passed, and the Senate then passed, a highway transportation bill, the Surface Transportation Act, in which, under the leadership of Senator MOYNIHAN and the ranking member of the committee, and many in this body, a comprehensive plan was arrived at—a good formula for highways, dealing with the highway system in our country. I voted for that legislation. I felt it was good legislation.

What this particular bill does here before us now, and what my amendment tries to deal with, is the unfairness of simply adding—and I emphasize the term "add,"—$387 million in special projects to this legislation. These projects were not authorized by anybody. They are totally at odds with the formulas reached and the compromises reached in the Surface Transportation Act. Frankly, they are simply not fair.

Some people say what do you mean by fair? Let me explain, as Webster says, what fairness is.

Webster says "fairness is marked by impartiality and honesty, free from self-interest, prejudice or favoritism, and conforming with established rules."

The established rules in the Senate are supposed to be that the authorizing committees authorize legislation and the appropriating committees, if they agree with the amount of funds, would then appropriate those funds. However, that unfortunately is not the case under this legislation.

What we have here is 40 highway demonstration projects—40. They total $168 million. In addition to that, there are 18 feasibility and design studies totaling $23 million, and then 5 improvements projects totaling $196 million.

These items, some 63 of them, simply appeared in the legislation. Again, at odds with the surface transportation bill which we recently passed.

Why do we have authorizing committees? What is the purpose of an authorizing committee? An authorizing committee is supposed to be the expert in the area. That is why we have that committee. They are supposed to deal with the priorities of that particular area of interest.

I sit on the Environment and Public Works Committee and we never reviewed these projects. I ask any of my colleagues—I see the Senator from New York on the floor—any of my colleagues who serve on that committee if anyone on this committee has had the opportunitiy through the formal committee process—not through some private meeting—to review these projects. I think my colleagues will find the answer is no.

There are $387 million here. Twenty-three States, including the two largest States, California and Texas, do not receive a nickel; not $1 of any of this money. Are the people in California somehow on a lower scale than the people of West Virginia? Or New York? Or New Jersey?

Or the people of New Hampshire, are they somehow less American citizens than the people in New York or New Jersey or West Virginia? I do not think they are, and I think in the interest of fairness, if we are going to appropriate these moneys, we ought to have a system devised whereby it can be fairly distributed.

That is what we did with the surface transportation bill. It was a good bill. Senator MOYNIHAN did a tremendous job in putting that legislation together. This type of pork barreling, frankly, undoes all the good that bill did. I want to point out, in no way does my amendment do anything to undo the highway bill. All the compromises that were reached, the Byrd amendment, all of those things remain the same. It does not touch them. It is $387 million in moneys added on for 63 projects.

The largest single highway project, corridor G, is in the State of West Virginia. It receives a total of $165 million, Mr. President. So we have $387 million in projects. The State of West Virginia has approximately 2 million people; the United States of America has 250 million people, and the State of West Virginia gets almost half of the project money. Then, if you add New Jersey and New York and a couple of other States, you will have roughly 90 percent.

And States like Alabama, for example, have nothing; California, nothing; Colorado, nothing; Connecticut, nothing; Delaware, nothing; Florida, $1 million, under my amendment, would get $14 million; Idaho, nothing; Illinois, nothing; on down the list. Louisiana, Maine, Maryland, Massachusetts, nothing; Minnesota, nothing.

I urge my colleagues, when you come to the floor for this vote—and it will be a recorded vote, either to table or a vote for this amendment—look at the numbers. The Senator from Idaho is standing. I will be happy to yield.

Mr. SYMMS. The question I ask is what is the basis for the formula the Senator from New Hampshire used to decide how to divide up the extra money?

Mr. SMITH. That is a very good question. We used the exact formula that was arrived at that you and Senator MOYNIHAN had in your committee, the formula devised taking the last 5 years of allocations and averaging that out. And that is how we reached these numbers.

For example, to use the State of Alabama—which is at the top of the list—Alabama, under the committee bill, gets nothing. Under my amendment, it gets $7 million-plus. It is obvious that we do have an issue of fairness. The State of Idaho, about which the Senator from Idaho just spoke, gets nothing under this committee bill, and would get a little over $3 million under the Smith amendment.

It goes on down the line. Even the States who lose some money on this allocation, if you look at it in the interest of fairness, it is not that much when you look at the other States who will gain.

This amendment does not cut a nickel, it does not cut a dime from the appropriations at all; not a nickel. It is simply, fairly, on the basis of need, as carefully crafted by the committee of jurisdiction—in this case, of authorization—the Environment and Public Works Committee. As we indicated, we wanted to have it done in the Surface Transportation Act. That is the formula that I used. These numbers are not made up out of my head. They came directly from the Department of Transportation.

Mr. D'AMATO. Will the Senator yield for a question?

Mr. SMITH. I only have 5 minutes.

The PRESIDING OFFICER. Does the Senator yield or not?

Mr. SMITH. Mr. President, I yield 30 seconds.

The PRESIDING OFFICER. The Senator yields 30 seconds to the Senator from New York.

Mr. D'AMATO. If I may comment on the bill as relates to the $3.9 million for the New Hampshire airway science program; do you know whether that as authorized?

Mr. SMITH. I am sorry; I did not hear the question.

Mr. D'AMATO. Does the Senator from New Hampshire know that there is $3.9 million for New Hampshire in the airway science program? Do you know whether or not that was authorized; the funds for Daniel Webster College?

Mr. SMITH. It does not affect those at all.

Mr. D'AMATO. Was it authorized?

Mr. SMITH. We are talking about $387 million in 63 projects which are indicated, and there is no money, no money——

Mr. D'AMATO. I simply would like to point out to the Senator that in other areas of the bill, transit areas——

Mr. SMITH. I am not asking——

Mr. D'AMATO. Coast Guard.

Mr. SMITH. I reclaim my time.

The PRESIDING OFFICER. The Senator from New Hampshire has the time; he reclaims his time.

Mr. SMITH. I reclaim my time, and let the Senator respond on his time. There is no money in this bill for the State of New Hampshire under the areas that I am contesting; nothing. There is $387 million here for projects, which I have indicated what they are, and there is no money for New Hampshire in those projects. Absolutely none.

This bill divides $387 million among the States based on a ration which recently was comprised by the Surface

Transportation Act. That is what my amendment does. With this amendment, each State receives a portion of the total amount, based on the average of the highway fund which it received over the last fiscal year, 5 fiscal years. That is fair.

Under my amendment, 11 States would receive less funding than they would under the Transportation appropriations bill, but 39 States would receive more than they would under the transportation bill. So the issue here again is fairness.

Mr. President, I ask Members to look very carefully at the significant impact of differences in funding. I just want to use a couple more minutes, and then I would like to reserve a couple minutes of my time for debate at the end.

But using one example, the State of Illinois, which gets absolutely nothing under the committee bill, receives $15 million under the Smith amendment. That is just one example. And there are others. Ohio, zero to $13 million. It is not that we are passing money around under the Smith amendment. We are distributing it fairly, and using a formula, a process that is fair, rather than simply raw, political, abusive power, which is what is happening.

That does not make me very popular with some of my colleagues to make comments like that, but that is a fact. That is true. So we can take on the process, and I want to see process reform. I would not mind cutting all of this out, but I know that is not going anywhere. So let me make the point: The process is wrong. If you want to change the process, then you can vote yes on the Smith amendment and help your State.

Mr. President, I ask unanimous consent to print in the RECORD a table comparing H.R. 2942 funding and the Smith amendment.

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

HIGHWAY PROJECTS IN H.R. 2942 COMPARED WITH THE SMITH AMENDMENT

State	H.R. 2942 funding	Smith amendment [1]
Alabama	0	$7,581,083
Alaska	$12,000,000	6,256,074
Arizona	28,200,000	5,294,529
Arkansas	4,000,000	4,450,916
California	0	31,926,564
Colorado	0	6,230,229
Connecticut	0	6,727,273
Delaware	0	2,025,182
Florida	1,000,000	14,889,555
Georgia	0	20,612,014
Hawaii	1,500,000	2,072,962
Idaho	0	3,085,418
Illinois	0	15,359,886
Indiana	0	8,177,404
Iowa	16,800,000	6,197,838
Kansas	9,450,000	5,664,800
Kentucky	0	6,540,717
Louisiana	0	6,482,975
Maine	0	2,510,641
Maryland	0	6,185,523
Massachusetts	0	7,522,619
Michigan	3,000,000	11,110,356
Minnesota	0	6,896,343
Mississippi	2,000,000	4,937,832
Missouri	495,000	9,673,417
Montana	2,250,000	4,368,542

HIGHWAY PROJECTS IN H.R. 2942 COMPARED WITH THE SMITH AMENDMENT—Continued

State	H.R. 2942 funding	Smith amendment [1]
Nebraska	0	4,237,850
New Hampshire	0	2,431,807
New Jersey	44,650,000	10,033,472
New Mexico	9,000,000	4,225,677
New York	26,000,000	21,628,457
Nevada	2,000,000	3,027,326
North Carolina	6,000,000	9,629,050
North Dakota	1,040,000	2,947,186
Ohio	0	13,712,032
Oklahoma	2,800,000	5,917,013
Oregon	0	4,879,079
Pennsylvania	0	16,259,766
Rhode Island	0	2,044,383
South Carolina	0	5,835,999
South Dakota	3,240,000	3,269,147
Tennessee	350,000	8,715,893
Texas	T0	24,900,775
Utah	8,000,000	3,747,483
Vermont	1,100,000	2,185,047
Virginia	0	8,257,955
Washington	5,400,000	6,971,292
West Virginia	182,200,000	4,855,514
Wisconsin	8,200,000	6,546,193
Wyoming	6,000,000	3,290,087
American Samoa	0	17,099
District of Columbia	0	2,105,287
Guam	0	17,099
Puerto Rico	0	2,566,772
N. Marianas	0	17,099
Virgin Islands	0	17,099
Territories	0	465,371
Unclassified	900,000	0
Grand total	387,535,000	387,535,000

[1] The funding formula figures cited above were provided by the Federal Highway Administration.

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

The PRESIDING OFFICER. The Senator has 2 minutes 42 seconds remaining in that time that is reserved.

Who seeks recognition? The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I have 2 minutes?

The PRESIDING OFFICER. The Senator from New Jersey controls the time.

Mr. LAUTENBERG. I yield 2 minutes to my friend from New York State.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, I rise in principle to support the proposal of the Senator from New Hampshire, our good friend and colleague on the Committee on Environment and Public Works. But then I must say, Mr. President, that the House of Representatives insists upon these specific projects in their appropriations bill. I wish they did not; I doubt there are many Members of this body who feel otherwise.

And so the distinguished chairman of our appropriations subcommittee, my colleague on the Environment and Public Works Committee Senator LAUTENBERG, and my friend and fellow New Yorker, Senator D'AMATO have done the Senate the only service available. They have said: We will take out all the House projects and include instead a number of carefully chosen projects for Senators who would wish them funded, for example, under the Surface Transportation Act.

Now, we are going to go to the conference committee with our Surface Transportation Act. I pledge to you, sir, we will take an absolute minimum of these special projects because we have created a transportation program and policy that will provide for them out of the general moneys flowing to the States under the new bill. But for the moment I would ask not to weaken our position with the House in the conference to which the managers now have to go. I thank the Chair.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from New Jersey.

Mr. LAUTENBERG. I thank the Chair.

We will cut this debate very short. The limited time agreement requires it. I want to respond to the argument made by the Senator from New Hampshire about fairness and equity. We have all heard it before. It is fairness when it is your turn, Mr. President.

In Conway, NH, this committee provided $8 million over 3 years, in 1988, 1989, 1990 for the constuction of a new bridge. At that time it was fair for New Hampshire, unless the Senator wants to rescind that money. Maybe New Hampshire can pay us back the $8 million we then gave them; this year, the committee has provided $3.9 million for Daniel Webster College. This is a discretionary grant we provided because someone made the appeal to the committee.

We did not hear from the Senator from New Hampshire. He did not request anything of this bill. Now he has come to rewrite the bill in full view of the Senate, when the time is fleeting. We are near the end of the bill and he suddenly wants to make the case of fairness and equity.

Mr. President, I will tell you, yes, this bill is fair. People come to the committee with projects; they articulate their needs, they remind us of our responsibility that we need to consider their requests and thusly we make our judgments. When we hear the fairness argument, I must point out that it really depends on which year and on which project, Mr. President.

I hope my colleagues will join me as we move to table the Smith amendment because, in addition to these highway programs, there are Coast Guard programs, aviation programs, rail programs, all of which are essential to get this country moving, and at 2:30 in the afternoon the Senator from New Hampshire suddenly wants to redefine the process. I submit to you this is not the time to have this discussion. The Senator from New Hampshire is a member of the Environment and Public Works Committee. We can discuss this. We have discussed it. We will have many opportunities in the future.

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

The PRESIDING OFFICER. The motion to table is not in order yet unless the Senators yield back their time. The Senator from New Jersey has 48 sec-

onds; the Senator from New Hampshire has 2 minutes, 42 seconds.

Mr. SMITH. Mr. President, I would like to respond. I think I understand the nerve that is touched here when one tries to change the process. If we were doing the job so well in this country with the way we do business through the appropriations and the authorizing process, why do we have a $4 trillion national debt? Why is it that the budget deficit is going up somewhere in the vicinity of $325 to $330 billion this year?

The point is, we are not doing it right and we are not doing it fair. This is the issue.

Certainly, I can understand the Senator from New Jersey saying this is a fair matter because he gets $44 million out of this thing, which is 25 percent of the amount. I can certainly understand the Senator from West Virginia, who gets almost half, $185 million, out of $387 million. That may be fair to the people in West Virginia and New Jersey, but it is not fair to people in Ohio, Idaho, New Hampshire, California, Texas, Florida, and other States. It is simply not fair.

That is the issue. Stand up and say that the process is wrong. Have the courage to say it, and I guarantee you we will stop this kind of stuff. We will stop it if you stand up and have the courage to make the right vote to stop it. That is the only way.

I have learned in 7 years in the Congress—maybe 1 year in the Senate is not enough in the eyes of some, but the truth is when you stand up and say no and you say the process is wrong, you can change it. It takes 51 votes. That is what it takes.

Mr. President, I yielded back the remainder of my time.

The PRESIDING OFFICER. The Senator has yielded back the balance of his time. The Senator from New Jersey has 47 seconds.

Mr. LAUTENBERG. I yield to the Senator from New York.

Mr. D'AMATO. Mr. President, the fact is that this bill has millions of dollars of projects that have not been authorized. They are in the transit area. They are in aviation education. They are in Coast Guard. So when my friend and colleague says that everything has to be authorized, if we are going to say not only this bill but in all bills every project is going to be authorized, fine. But do not come and pick out one small section, the highway section, and say that everything is wrong, because if you look at Texas and you look at Florida and you look at California, you will see huge transit projects going into hundreds of millions of dollars being spent. If you look at the FAA, you will see millions of dollars, in States that the Senator questions, being spent. And they are not authorized.

I move to table.

Mr. SMITH. Mr. President, I ask for the yeas and nays on the motion to table.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered. The clerk will called the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

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

The result was announced—yeas 84, nays 14, as follows:

[Rollcall Vote No. 193 Leg.]

YEAS—84

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

NAYS—14

Biden	Gramm	Smith
Brown	Helms	Specter
Coats	Lugar	Symms
Craig	Pressler	Wallop
Dole	Roth	

NOT VOTING—2

Inouye	Mack

So the motion to table the amendment (No. 1158) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. PRESSLER. Mr. President, the amendment offered by Senator SMITH would have increased highway funds for South Dakota under H.R. 2942, the Department of Transportation and related agencies appropriations bill.

Senator SMITH'S amendment to the Department of Transportation appropriations bill would have deleted the demonstration projects currently in H.R. 2942 and redistributed this money without earmarking specific projects.

Had this amendment been agreed to, the South Dakota Department of Transportation made clear that the Forest City Bridge would have been fully funded, and it would have given South Dakota an additional $29,000 to spend on the State's transportation infrastructure.

FUNDING FOR A 403(b) TRAIN ON THE CAROLINIAN LINE

Mr. SANFORD. I would like to engage the distinguished manager of this bill, Senator LAUTENBERG, in a discussion regarding the funding for a second 403(b) train on the Carolinian line.

Mr. LAUTENBERG. I would be happy to discuss this matter with the junior Senator from North Carolina.

Mr. SANFORD. The House Transportation appropriation bill includes $700,000 to cover 35 percent of the operating losses of a second 403(b) train on the Carolinian line to run between Raleigh and Charlotte, NC. The State of North Carolina will be assuming the remaining 65 percent of the operating losses, and has agreed to purchase the equipment, the locomotive and the cars. Normally, States are required to cover only 45 percent of the operation losses in the first year and 65 percent of the losses thereafter. However, the State of North Carolina has agreed to bear more of a financial burden to ensure that a second 403(b) train is available.

The train in question would run from Raleigh and Charlotte, making one full round trip a day. Ridership on this train is expected to be 51,000 passengers a year.

I support and encourage intrastate train travel as an energy-efficient alternative to highway travel. The Federal Government's participation in intrastate train travel is necessary to ensure that States have the resources available to provide such transportation services.

I would like to ask the subcommittee chairman, Senator LAUTENBERG, and the ranking member, Senator D'AMATO, to accept the House language in the House Transportation appropriations bill which provides $700,000 to Amtrak to cover 35 percent of the operating losses of the second train on the Carolinian line. I think that it is only equitable to provide North Carolina with this modest Federal subsidy.

Mr. LAUTENBERG. I would like to thank my friend, Senator SANFORD, for bringing this issue to my attention. I assure him that I will give it careful consideration during conference.

LOS ANGELES METRORAIL

Mr. SEYMOUR. Mr. President, as the chairman is aware, the Los Angeles County Transportation Commission [LACTC] is in the process of constructing one of the most ambitious mass transit systems in the country. I want to thank him and the ranking member of the subcommittee, Senator D'AMATO, for their continued support

for the Los Angeles Metrorail. I am concerned, however, that the funding levels in this bill fall short of the amount needed.

As the chairman knows, the administration's fiscal year 1992 budget requested that Los Angeles receive $188 million for the second section of the Metro's Red Line which is known as MOS-2. This amount represents the final portion of the Federal Government's share in the project as authorized under the 1987 highway bill.

The House-passed version of H.R. 2942 included $150 million for this purpose. Unfortunately, the bill before us only provides $125 million which, I understand, is due to the severe spending limitations facing the subcommittee and the numerous requests to fund new starts. It is my hope, that when the Senate meets with the House in conference on this funding measure that the chairman will take into consideration the immediate and dramatic needs of Los Angeles so that construction on the Red Line can continue without interruption due to reduced Federal funding levels.

I can assure the distinguished managers of the bill, Senators LAUTENBERG and D'AMATO, that LACTC will expend these funds—without delay—on a system which will relieve congestion and go a long way toward mitigating the Los Angeles basin's severe clean air problems.

Mr. LAUTENBERG. Mr. President, I want to thank Senator SEYMOUR for again bringing this issue to my attention. He has accurately described the fact that our subcommittee has been a strong advocate for the Los Angeles Metrorail. This year we were faced with a very tight funding allocation and thus were not able to fully fund each project in the bill. Nonetheless, we recognize the importance of this particular mass transit initiative. I want to assure the Senator from California that we will continue our strong support for the project in conference and make every effort to see that Los Angeles receives the highest amount of funding possible.

Mr. SEYMOUR. Mr. President, I want to thank the distinguished chairman of the subcommittee for his ongoing assistance and his support for this project, and I look forward to working with him as this bill proceeds to conference.

BENEFITS TO NEW JERSEY

Mr. LAUTENBERG. Mr. President, I would like to note that this bill contains many items of benefit to my State, New Jersey.

As I have noted, the bill sets an obligation ceiling for the highway program of almost $17.1 billion. Under this level, which is 18 percent higher than the fiscal year 1991 level, New Jersey would expect to receive approximately $710 million in formula highway and transit funds. That represents a tremendous infusion of funds to help meet our pressing transportation needs.

Additionally, the bill would provide $202 million in specific earmarks for New Jersey. The committee report details these earmarks, but I would like to briefly outline them.

First, $45 million is earmarked in the area of intelligent vehicle-highway systems. This program is an important one in our efforts to address the problems of congestion, air pollution, and poor productivity. Today, too many New Jerseyans are spending too much time in their cars, stuck in traffic, and away from family or work. IVHS can help change that, by making our roads, bridges, and tunnels more efficient.

For IVHS, the bill earmarks: $1 million for research and development at the New Jersey Institute of Technology; $3 million for the continuing traffic management efforts of Transcom; $4 million for a traffic management plan in an eight-county area of New Jersey, through the MAGIC program; $25 million to help install electronic toll collection on the State's three major toll roads; $6 million to establish a comprehensive traffic management agency in southern New Jersey and Philadelphia; and $6 million for traffic signal computerization.

There are a number of highway projects funded under this bill. These projects are all worthy, and greatly needed. They will help ease congestion and improve safety in areas throughout the State, such as Newark, Bergen County, central New Jersey, and the fast-growing Camden-Burlington Counties area. Those projects are: Route 21 widening in Newark, $6 million; I-280 Downtown Connector improvement in Newark $4 million; I-78 Downtown Connector in Newark, $7.5 million; Raymond Plaza (Penn Station, Newark) access improvements, $1.65 million; Route 21 Viaduct, Newark, $3 million; Route 4 bridge replacement in Bergen County, $2 million; Route 4/208 interchange in Bergen County, $4 million; Route 4/17 interchange in Bergen County, $4 million; Routes 70/38 capacity expansion in Camden County, $6 million; and $1.5 million to repair the South River Bridge over Route 18 in Sayreville. The bill also provides $15 million to build a new pedestrian bridge connecting Liberty State Park to Ellis Island, to make that historic place more accessible to the many Americans who want to visit it. The bill also includes $5 million for an interstate emergency callbox system. It also provides $500,000 for trauma research on passenger compartment intrusions at a trauma center staffed by research professionals with extensive experience in this area. Important work in this area is being done by researchers at the University of Medicine and Dentistry in Newark, NJ. The report also directs NHTSA to conduct a study on the theft-resistance of automobiles, to explore ways to fight auto theft that plagues New Jerseyans.

In the aviation area, there are important provisions, including bill language that would allow Atlantic City to use revenues from the sale of Atlantic City Airport for nonaviation purposes, clearing the way for the sale of the airport to the State. I've worked hard for years to try to see this tremendous aviation resource developed. With the cooperative efforts of the State and Mayor Whelan of Atlantic City, we're now at a point where real progress can be made, and the development of the airport into a first-class facility can proceed. This provision will ensure that that progress won't be impeded by a technical problem.

The bill also prioritizes applications for Airport Improvement Program funds to make improvements at Atlantic City International Airport; contains bill language allowing parochial schools near airports to qualify for soundproofing funds; includes language prioritizing funds for further study of the proposed joint civilian use of McGuire Air Force Base; and provides up to $3 million for Rutgers University and the Georgia Institute of Technology for a joint center of excellence for aviation research.

In addition, 10 New Jersey airports are slated to receive grants for safety improvements. These airports make up a network that serves the varied aviation needs of our State, from scheduled commercial service to general aviation. These airports are: Newark Airport, Lincoln Park Airport, Somerset Airport in Somerville, NJ, Morristown Airport, Gibbsboro Airport, FAA Technical Center in Pomona, NJ, Cross Keys Airport, South Jersey Regional Airport in Mount Holly, NJ, Trenton-Robbinsville Airport in Robbinsville, NJ, and the Atlantic City Airport. Specific dollars amount will be determined by the Federal Aviation Administration.

One way New Jersey is going to help improve its air quality and our ability to move people and goods is through improved mass transit. For transit to become a real alternative to the single passenger car, it must be more affordable, reliable, and convenient. The bill before us includes funding for projects that would help meet those goals. In mass transit, the bill contains funds for: the Hamilton transportation facility, train, bus, highway, $3 million; Atlantic City bus facility, $3 million; $21 million to New Jersey Transit for bus acquisition; and $5.3 million for Central Electronic Train Control to improve safety on New Jersey's rail lines between Trenton and Philadelphia. The bill also contains $500,000 for inner city youth job training, to help bring those youth into the transportation field.

A major new transit improvement, the urban core, would significantly improve transit in New Jersey by linking

State's rail lines into a coordinated network. This project would truly make transit more convenient for commuters now using rail, and open up new opportunities for thousands of new commuters. In the new start category, the bill provides $70 million for the urban core.

The urban core project will consist of seven elements: the Secaucus Transfer—a new train station in Secaucus will link the Bergen and Main lines to the Northwest corridor (Amtrak lines), providing access to Newark and midtown Manhattan for Bergen County residents; Newark-Elizabeth Rail Line—a new rail line to link Newark International Airport with major downtown centers in the Newark-Elizabeth corridor with connections to the regional rail network; Hudson Waterfront Transportation System—will establish a mass transit system along the Hudson Waterfront and link it to the existing commuter rail system; waterfront connection—a recently opened line links Newark Penn Station to Hoboken Terminal, providing access to the Hoboken and Hudson Waterfront area and improved access to lower Manhattan for passengers traveling through Penn Station; Kearny connection—will link the Morris and Essex rail lines to the Northeast corridor, significantly improving rail access to Manhattan; Northeast corridor signal system—improvements to the Northeast corridor signal system from Trenton to New York and to the Penn Station New York Concourse will ensure reliability on the Northeast corridor and passenger safety and convenience at Penn Station New York; rolling stock—new rail cars will be purchased to meet the new demands under the urban core project.

Under the Coast Guard, the bill contains $4.3 million for phase III of the New York vessel traffic service, a project that I have worked over the last 3 years to fund and get in place. New York Harbor is one of the busiest harbors in the country; this VTS will help protect against accidents that could have disastrous effects on our precious coastal resources. The bill also contains: $3.4 million to build a new patrol boat pier at Fort Hancock in Sandy Hook; $300,000 to the New Jersey marine sciences consortium to develop an instructional curriculum and educational materials on fishing vessel safety; and $5 million for an applied training facility at the Recruit Training Center at Cape May.

Finally, I would like to note that that bill contains $250,000 for the Department of Transportation to study the feasibility of using dyes to label different gasoline octane levels to prevent consumer fraud. This is an issue that is of serious concern to many in New Jersey, and I hope that the study can be of some benefit in addressing the situation.

Mr. President, as chairman of the Transportation Appropriations Subcommittee, I work hard to see that the transportation to New Jersey and the Nation are addressed. These projects are important ones that will provide significant benefit to the people of New Jersey, and to those who travel to and through the State.

HIGH SPEED RAIL PASSENGER SERVICE: BOSTON-NEW YORK

Mr. KENNEDY. Mr. President, I want to take this opportunity to commend the Transportation Subcommittee for its outstanding leadership on the critical transportation issues facing us today. The appropriations bill before us, containing nearly $35 billion in new budget and contract authority, responds comprehensively and effectively to our Nation's transportation infrastructure needs.

I particularly want to thank Senator LAUTENBERG for his strong support this year, as well as last year, for the continued development of high speed rail passenger rail service between Boston and New York.

Amtrak service between New York and Washington has been one of the major transportation success stories of the past 10 years. Due in large part to Federal investment in the right-of-way, in signals, and in related infrastructure, New York-Washington Amtrak service has become a viable competitor to air and highway service, helping to ease congestion and pollution in the region, and saving energy resources.

I commend the leadership of the Senator from New Jersey, who has included $193.8 million in this year's Transportation appropriations bill to make high-speed rail service a reality for those traveling between New York and Boston, and $14.7 million for capital needs on the northern end of the Northeast corridor. With these funds, New England is able to look forward to the same type of fast and efficient Amtrak service currently enjoyed by passengers between New York and Washington. Reducing the travel time along the New York-Boston route to under three hours will make a major contribution to the operating efficiency of our transportation system. It will help to move more passengers by Amtrak instead of by less energy-efficient and highly congested highways and airports.

The committee has included $2.7 million in the Northeast corridor improvement project account for the Route 128 Amtrak station in Massachusetts. These funds are needed for Amtrak to meet its share of the costs of lengthening the platform to accommodate full-length trains, and to make the platform and station accessible to the disabled. In addition, the committee has endorsed language calling for the completion of design and engineering work on the Canton Viaduct in Massachusetts, which carries the Northeast corridor mainline over the Neponset River. This 156-year-old bridge is in need to urgent repair to allow safe passage of high-speed Amtrak trains and MBTA commuter trains, and we look forward to receiving construction cost estimates for this project next spring.

The bill also includes $500,000 for a feasibility study of maglev/high-speed rail transportation along a New York City-Albany-Boston route. The committee has earmarked this amount out of a $5 million fund for studies of maglev/high-speed rail routes across the country. These funds will help keep the United States in the forefront of research and development on these new technologies, which hold great promise for improved transit and a cleaner environment. It is my expectation that the New York City-Albany-Boston feasibility study will involve a review of the benefits of intermediate stops in western Massachusetts, such as at Springfield, Pittsfield, and Worcester.

In addition, the committee has recommended $511 million for grants to Amtrak to cover operating and capital needs. I strongly support this appropriation, in order to enable Amtrak to acquire the additional equipment it needs and to improve its operating self-sufficiency.

The bill also includes $10 million in first year funding for the South Boston Piers Transitway, an important new project in the city. This underground bus tunnel will provide a link between downtown Boston, Logan Airport, and the rapidly growing South Boston piers area, which includes the new Federal Courthouse and the World Trade Center. This critical public transit link will mean significant improvements in air quality and reductions in traffic congestion in an area currently lacking ready access to bus, subway, and commuter rail systems. Although the amount provided for this project is less than was recommended in the House-passed bill, I am hopeful that an amount closer to the House level may be achievable in conference if additional resources become available.

Also in the transit area, the committee has provided the full authorized level of $160 million for the Interstate Transfer Grants-Transit Program, including $11.7 million for Massachusetts. This amount will close out Massachusetts' balance under this program, and the funds will make possible much-needed modifications to ensure that MBTA stations and equipment meet accessibility requirements under the Americans With Disabilities Act.

In addition, I support the committee's appropriation of $3.7 billion for the overall transit category, which will, among other important goals, sustain the current $802 million level for transit operating assistance that the administration sought to cut.

In conclusion, Mr. President, I commend the subcommittee chairman, Senator LAUTENBERG, the ranking Republican member, Senator D'AMATO, and the other members for their assistance with projects of importance to Massachusetts. They have prepared an excellent bill at a time when budget constraints have made the task far more difficult than usual.

TRANSPORTATION INFRASTRUCTURE

Mr. ADAMS. Mr. President, rapid population growth in the Pacific Northwest is putting enormous pressure on the transportation infrastructure. This legislation contains a number of projects that will serve to ease the strain on our transportation system.

Of major significance to western Washington is a provision to allocate $15 million to a commuter rail project between Seattle and Tacoma. The traffic on the I-5 corridor between these two cities gridlocks every day during the rushhours, and the rushhours continue to grow longer and longer. The railroad alone won't solve the whole traffic problem, but it will help a great deal.

The local communities, transit districts and private businesses all favor the proposed commuter railroad. I want to emphasize that they will provide the lion's share of the funding. It is my hope that train service, even if limited, will begin as quickly as possible, and that when it proves successful—and I have no doubt about the potential demand—that it eventually will be extended to communities north of Seattle, too.

The bill also includes funding to finish the Puget Sound Vessel Transit System [VTS]. Recently, a collision between two foreign ships in international waters damaged a large section of the pristine coastline along Washington State. The VTS would help guard against similar collisions and spills in Puget Sound, which our current technology is unfortunately incapable of adequately cleaning up.

A provision that the junior Senator from Washington State and I sponsored would allow Washington State to use Federal emergency relief funds to repair a sunken portion of the I-90 bridge. The bridge section sunk during a major flood in Washington State last fall. This section of the bridge is a vital link in the Seattle commuter highway network and its expedited repair will be good news for the Seattle metropolitan area. Without this change in the law, commuters in the Seattle metropolitan area may have to wait for years of civil litigation before repair work is even begun. If cause for the sinking was human error, then the State will reimburse the Federal Government.

The bridge repair provision is incorporated into both the Senate surface transportation bill and the draft of the House transportation reauthorization bill. I am concerned about further repair delays if the reauthorization bill is held up. The Department of Transportation has assured us that it currently holds enough emergency repair funds for the project. Washington State highway officials have indicated that under their most recent estimate the old Mercer Island floating bridge could be rebuilt and open to traffic by November 1993. This provision will help assure that the 1993 deadline is met.

I would like to thank Senator LAUTENBERG and his able subcommittee staff, Pat McCann, Peter Rogoff, and Joyce Rose, for the excellent work that they have done in crafting this bill.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Have the yeas and nays been requested for final passage?

The PRESIDING OFFICER. They have not.

Mr. LAUTENBERG. Mr. President, I request the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. MITCHELL. Mr. President, if I may have the attention of the Senate, the time originally allocated for debate on the Jeffords-Metzenbaum amendment was not fully utilized because of the press for time and the need to get to this amendment.

Accordingly, to permit completion of that debate in the most expeditious possible manner, I now ask unanimous consent that upon disposition of the pending bill, there be a total of 3 minutes for debate on the Jeffords-Metzenbaum amendment, the first minute to be under the control of Senator DOMENICI, the second and third minutes to be under the control of Senator JEFFORDS; following that, that Senator DOMENICI be recognized for the purpose of making a motion to table the Jeffords-Metzenbaum amendment.

The PRESIDING OFFICER. Is there objection?

Hearing no objection, it is so ordered.

The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall the bill pass?

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

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

The result was announced—yeas 95, nays 3, as follows:

[Rollcall Vote No. 194 Leg.]

YEAS—95

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

NAYS—3

Helms	Roth	Smith

NOT VOTING—2

Inouye	Mack

So the bill (H.R. 2942), as amended, was passed.

Mr. LAUTENBERG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. D'AMATO. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LAUTENBERG. Mr. President, I will take just a moment.

First, I move that the Senate insist on its amendments, request a conference with the House of Representatives on the disagreeing votes thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. ADAMS) appointed Mr. LAUTENBERG, Mr. BYRD, Mr. HARKIN, Mr. SASSER, Ms. MIKULSKI, Mr. D'AMATO, Mr. KASTEN, Mr. DOMENICI, and Mr. HATFIELD conferees on the part of the Senate.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, very briefly, I want to say thank you again to my colleague, Senator D'AMATO, the ranking member of the subcommittee. I want to thank Chairman BYRD of the Appropriations Committee for his help and his diligence in passing this bill. So vital to our infrastructure requirements, and to say thank you to Pat McCann, Peter Rogoff, Joyce Rose, and Ann Miano; they did a wonderful job.

We are pleased with the bill. Perfect, it is not; but darned good, we believe it

is. And we thank everyone in the Chamber.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

The PRESIDING OFFICER. Pursuant to the prior order of the Senate, the Senate now returns to H.R. 2686, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2686) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1992, and for other purposes.

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Prior to returning to this bill, there has been entered a unanimous-consent order. There are 3 minutes allocated. One minute is allocated to the Senator from New Mexico, Senator DOMENICI; then 2 minutes are allocated to the Senator from Vermont, Senator JEFFORDS. Then Senator DOMENICI is recognized for a motion to table. On that, the yeas and nays have not as yet been ordered.

Mr. DOMENICI. Mr. President, parliamentary inquiry. I must wait until the Senator from Vermont has used his time?

The PRESIDING OFFICER. That is correct. The Senator will be recognized to make the motion when the Senator from Vermont is done.

Mr. DOMENICI. Mr. President, I rise in strong opposition to the Jeffords amendment to increase grazing fees, and I urge my colleagues to support my motion to table the amendment.

Mr. President, the Jeffords amendment would ultimately increase grazing fees on public lands by approaching 200 percent over the next 5 years, severely affecting many small- and medium-sized ranchers and rural areas in the Western States.

Some have charged that this is an overly generous subsidy and that the Federal Government loses money on this program.

First of all, Mr. President, ranchers are not getting rich off this program as some have claimed.

Nor is the Government losing money on this program. To the contrary, the Bureau of Land Management estimates that the agency's cost of administering the range program is $1.66 per animal unit month, or AUM. With an annual grazing fee of $1.97 per AUM, the Government is currently making 31 cents per AUM—a profit on the program.

Finally, Mr. President, the enactment of this amendment would increase receipts by $7.3 million in fiscal year 1992 according to preliminary estimates of the Congressional Budget Office (CBO).

I can state with certainty, Mr. President, that the anticipated increase in receipts to the Government is far outweighed by the negative economic impact on rural areas associated with the grazing fee increase, for this increase will force many ranchers, and those small industries in small rural communities that support them, out of business.

For this reason, it raises a serious question in my mind as to the intent of this amendment. That intent appears to be to get ranchers off the public lands contrary to Federal policy of multiple-use of lands in the public domain.

PUBLIC LANDS ISSUES

Mr. President, the Bureau of Land Management administers about 174 million acres of public rangeland in the United States.

This is a major program, and yet, there has not been one single hearing on the subject this year in the energy or agriculture committees.

Currently, about 20 percent of the calves that go into the Nation's feedlots, and over 50 percent of the marketable lambs come from the Western States.

In New Mexico, ranchers must graze on public lands out of necessity, for over 50 percent of the State is owned by the Federal and State Governments.

Grazing on public lands is not the lucrative business that some maintain. Ranchers that graze cattle on public lands pay for forage consumed. No other services are provided as with private leases.

It has been well documented that the cost of raising livestock on public lands is actually higher than on land leased from private parties when all costs are considered, such as fencing and water improvements, veterinary needs, and supplemental feeds.

Some would charge that these lands are overgrazed, and yet, overall, public rangelands are in the best condition they have been since the turn of the century. These public lands now support increased numbers of wildlife as well as the cattle and sheep.

NEW MEXICO STATISTICS

Mr. President, ranching forms the economic base of many small, rural communities in the State of New Mexico. The proposed increase in grazing fees from $1.97 per AUM to $5.09 per AUM in fiscal year 1995—an amazing 27 percent annual increase—would put many ranchers in New Mexico out of business.

For of the approximately 8,900 ranches in New Mexico, 72 percent are small ranches operating with less than 100 head of cattle. Another 21 percent are medium-sized operations with between 100 and 500 head of cattle. Only 7 percent are large ranches with in excess of 500 head of cattle.

One telling story, Mr. President, is that under the Jeffords amendment, the net income of a small cow-calf ranch in the central mountains of New Mexico would decrease by over 90 percent by 1995. This is devastating to a ranching family.

Additionally, Mr. President, in my State, if this amendment is enacted, the domestic sheep industry will lose 25 to 30 percent of its current production.

In some cases, domestic sheep and wool production is even more dependent upon the ability to graze on public lands.

Considering the current status of the sheep market, an increase in grazing fees will most certainly be devastating to the American sheep producers.

Sheep prices would have to increase between 15 percent and 48 percent just for producers to break even, and we know that won't happen.

The impact on the state economy is equally serious. Cash receipts for cattle and calves in New Mexico totalled $749 million in 1989, accounting for over half of cash receipts for all farm commodities in the State.

The adoption of this amendment would put additional burdens on my State, like other Western States, at a time when they are undergoing tight economic times.

COMPARISON OF GRAZING FEES

Mr. President, the current grazing fee program is based on a formula called the PRIA formula (public rangeland improvement act), which works.

The PRIA formula is not static. It is adjusted for variables such as conditions in the marketplace and the status of the livestock industry.

Under the PRIA formula, the annual grazing fee has steadily increased over the past 5 years by 46 percent. The overall rate of inflation during this same time period increased 19 percent.

The Senate is being asked to increase grazing fees from the current $1.97 per animal unit month, to $5.09 over 5 years.

The House bill would increase the fee from $1.97 per AUM to a whopping $8.70 per AUM, a figure that will, in fact, begin to lose receipts for the Government beginning in 1995, as ranchers are driven out of business.

CONCLUSION

Mr. President, we hear a lot of talk in this chamber about promoting economic development in rural areas. However, it seems like an unprecedented assault is being made on western livelihoods, whether it is through mineral leasing activities, mining, ranching, or the timber industry.

This amendment, or that included in the house version of the interior appropriations bill, if enacted into law, will wipe out many ranching operations that have been held by families for generations.

Mr. President, fairness is also a watchword in this body. And I regret to say the principle of fairness is lacking today. This amendment will have a devastating impact on the West, while other highly subsidized agriculture

groups continue to do business as usual.

This is not business as usual. This is the difference between making it or letting go of the family ranch and family livelihood for many of my constituents.

This is a question of upholding the longstanding policy of multiple use and enjoyment of lands in the public domain. I support that principle, and I believe that we can wisely use the lands for the benefit of all.

For small ranchers and farmers, for our rural communities, for fairness, for continuation of the multiple-use concept, for all these reasons this amendment must be defeated.

I strongly urge my colleagues to support my motion to table the amendment.

I want to thank the Senators, perhaps as many as 12, who spoke for tabling this grazing fee. For those not aware of it, it is a very simple proposition; 31,000 ranchers and sheep men in New Mexico and in Western public domain States feel an arbitrary change in the formula that is their lifeblood—how much they must pay for the Federal domain—that an arbitrary change today without public hearings is apt to put thousands of them out of work. We believe that. We think that is the case.

We are worried about rural development. If we pass this amendment, we will put more people out of work than we are able to put back to work with all the programs we can pass here.

Mr. President, I ask unanimous consent that a letter from John H. Beuter to Senator ALAN K. SIMPSON, dated August 1, 1991, be printed in the RECORD.

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

DEPARTMENT OF AGRICULTURE,
OFFICE OF THE SECRETARY,
Washington, DC, August 1, 1991.

Hon. ALAN K. SIMPSON,
United States Senate, Washington, DC.

DEAR SENATOR SIMPSON: This is to emphasize the position of the Administration on grazing fees.

The current fee formula was enacted by Congress in 1978 in the Public Rangelands Improvement Act (PRIA). After PRIA expired in 1985, the formula has been consistent extended by President Reagan and President Bush through Executive Order.

The fee is based on a charge per Animal Unit Month (AUM), the amount of forage needed to feed one cow and calf or five sheep for one month. It utilizes a floating market-based formula incorporating production costs, the price of beef and private lease rates. This fee is determined for each year. For 1991, the fee is $1.97 per AUM which is an increase from last year's figure of $1.81.

In addition to economic benefits, there are other valuable aspects associated with the leasing of public lands. In particular, managed land enhance quality grasses which provide increased wildlife habitat. Also, permittees maintain access which is available for public use.

The current market-based formula takes into account the value of permittee's maintenance, construction and range management contributions in establishing the grazing fee. The Administration strongly opposes any movement away from the current grazing fee formula.

Sincerely,

JOHN H. BEUTER
Deputy Assistant Secretary Natural Resource and Environment.

The PRESIDING OFFICER. The Senator from Vermont, Senator JEFFORDS, is recognized for 2 minutes.

Mr. JEFFORDS. Mr. President, I want to very briefly summarize where we are.

Mr. President, I ask for order.

The PRESIDING OFFICER. The Senator will suspend for a moment. The Senate is not in order.

The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I want to bring to my colleagues' attention where we are right now. First of all, there has been argument that this amendment should not be offered on this bill. However, it is perfectly germane to this bill because the House amended it on the floor to increase the grazing fee. What we are doing is cutting in half the impact of the grazing fee amendment in the House.

I tried to make further concessions to try to help those who wanted changes in the amendment. They have rejected all these changes.

We know, for instance, the Utah cattlemen have agreed the fee should go up to $3.11 in 1991. The economist which the cattlemen rely upon has said the fee should go up to $2.49. We start in the first year at $2.63.

But a matter has been raised, and has given me some concern, about the small cattlemen. So I am going to modify my amendment now to exempt those with 1,000 AUM's or less, so they will not be impacted. That is probably on average a 250-cow herd. I do not want to affect these ranchers.

But I do know the system we have right now is costing the taxpayers some $70 million a year in subsidies. This is an unnecessary and wasteful subsidy. This is one of the Grace Commission's recommendations—to change the existing grazing fee formula.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired. The Senator from New Mexico.

Mr. DOMENICI. Parliamentary inquiry. Did the Senator modify his amendment?

The PRESIDING OFFICER. Does the Senator request a modification?

Mr. JEFFORDS. Yes.

The PRESIDING OFFICER. Does the Senator from Vermont request a modification?

Mr. JEFFORDS. Yes, Mr. President, I do request a modification. It is at the desk. I will read it to the body.

The amendment (No. 1138), as modified, is as follows:

On page 24, line 12, strike all after the numeral 10, and insert in lieu thereof:

"W., W.M.

SEC. . GRAZING ON PUBLIC RANGELANDS.

(a) FEE STRUCTURE.—Subsection (a) of section 6 of the Public Rangelands Improvement Act of 1987 (43 U.S.C. 1905) is amended to read as follows:

"(a)(1)(A) Subject to subparagraph (B), beginning with the grazing season that begins on March 1, 1992, the Secretary of Agriculture and the Secretary of the Interior shall charge annual domestic livestock grazing fees for the public rangelands (except for the National Grasslands) that are equal to the fair market value of the grazing.

"(B) The fee charged for any year shall not be more than 33.3 percent greater than the fee charged for the previous year.

"(2)(A) As used in this subsection, the term 'fair market value' means the amount obtained in accordance with the following formula:

$$\text{Fair Market Value} = \frac{\text{Appraised Base Value} \times \text{Forage Value Index}}{100}$$

"(B) As used in subparagraph (A):

"(i)(I) The term 'Forage Value Index' for a calendar year means the average of the forage value per-head index for the 11 contiguous Western States (computed annually by the National Agricultural Statistics Service of the Department of Agriculture) during the calender year and the previous 2 calender years, as adjusted in accordance with subclause (II).

"(II) The average calculated in accordance with subclause (I) shall be adjusted—

"(aa) for 1991, by setting the 1991 Forage Value Index equal to 100; and

"(bb) for later years, by multiplying 100 by the percentage that the average for the calendar year is of the average for 1991.

"(ii) The term 'Appraised Base Value' means the 1983 Appraisal Value conclusions by animal class (expressed in dollars per mature cow, including calf, or per yearling) as determined in the 1986 report prepared jointly by the Secretary of Agriculture and the Secretary of the Interior entitled 'Grazing Fee Review and Evaluation' and dated February 1986, on a westwide basis using the lowest appraised value of the pricing areas adjusted for advanced payment and indexed to 1991.

"(3) Executive Order No. 12548, dated February 14, 1986, shall not apply to grazing fees established pursuant to this subsection.".

(b) GRAZING REFORMS.—

(1) GRAZING ADVISORY BOARDS.—Section 309(d) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1739(d)) is amended—

(A) by inserting "(1)" after the subsection designation; and

(B) by adding at the end the following new paragraph:

"(2) The grazing advisory boards established pursuant to an action of the Secretary, notice of which was published in the Federal Register of May 14, 1986 (51 Fed. Reg. 17874), are abolished. The advisory functions exercised by the boards shall, after the date of enactment of this paragraph, be exercised only by the appropriate councils established under this section.".

(2) USE OF FUNDS.—Subsection (c) of section 5 of the Public Rangelands Improvement Act of 1978 (43 U.S.C. 1904(c)) is amended to read as follows:

"(c) Funds appropriated pursuant to this section, section 401(b)(1) of the Federal Land Policy and Management Act of 1976, or any other provision of law related to the disposi-

tion of the Federal share of receipts from fees for grazing on public domain lands or National Forest lands in the 16 contiguous Western States shall be used by the Secretary of the Interior and the Secretary of Agriculture for—

"(1) soil protection and stability;

"(2) increased production of forage and browse for domestic livestock and other grazing ungulates;

"(3) restoration and enhancement of wildlife and fish habitat;

"(4) restoration, enhancement, and protection of watersheds and riparian areas with emphasis in areas where domestic livestock grazing occurs;

"(5) restoration and enhancement of native plant communities; and

"(6) the development, implementation, and enforcement of applicable land management plans, allotment management plans, and regulations regarding the use of the lands for domestic livestock grazing, including use of supervision and monitoring.".

Remittees or lessees who combined authorized use level on all allotments is 1000 animal unit months or less shall be exempt from the fee generated under the new formula. The fee for such permittees shall be calculated under the formula existing on September 30, 1991.

Mr. BAUCUS. Mr. President, last week I took the floor to speak against this amendment. With just about any other issue, I would leave it at that.

But this issue is one where I feel a need to say more. To say more about how the amendment offered by the Senators from Vermont and Ohio would devastate Montana and the American West.

Frankly, I find it astounding—astounding—to think that this body could, without the benefit of a single hearing, be on the verge of making an abrupt policy decision that will drive thousands of ranchers off the land.

There may be an impression here that the current grazing fee is a subsidy to help sustain wealthy ranchers; that many of these ranchers are the fat cats of American agriculture; men and women who reap a windfall off the American taxpayer.

Well, Mr. President, nothing could be further from the truth. The vast majority of these ranchers just barely keep their heads above water. According to a study conducted by Oregon State University, 88 percent of these ranchers make a net income of less than $28,000 annually.

These are hard-working people of modest means. Their homes are nothing fancy. They have enormous debts hanging over their heads. And virtually all the money they make is sunk right back into their capital intensive ranching operations.

I wish that Senators supporting this amendment could come to Montana and see the way these people live and work.

I believe they would be struck by how different these ranching operations are from the farms in their home States. Most Federal allotments involve rugged, arid country.

There are none of the signs of affluence one sees when driving through the countryside of many Eastern and Midwestern States—no neatly painted barns, no quaint Victorian farm houses, and no lush pastures.

I say all of this to remind my colleagues that we are dealing with people; these people work hard to put food on the table and send their kids to school; these people care about the land; and these people are the backbone of rural America.

And I doubt that this amendment will harm our largest, diversified ranching operations. Most of the really large ranches throughout the American West have the means to make it, no matter what we decide to do here today.

Rather, Mr. President, this amendment is like a gun aimed at the head of the family rancher, the little guy.

Now I realize some may be unmoved by the human side of this issue. The question remains: Why should Uncle Sam subsidize these people

It is a fair question.

But, as said on Friday, the current grazing fee is no subsidy.

According to a 1990 study conducted by Utah State University, the average operating cost per animal unit month is actually $2.57 higher on public land than on private land. I ask that a table summarizing the results of this study be printed in the RECORD at this point in my remarks.

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

EXHIBIT 3.—COMPARISON OF OPERATING COSTS PER A.U.M. ON PUBLIC LAND RANCH VERSUS PRIVATE LAND RANCH UNITS

[Total grazing costs on operations using federal grazing permits and private leases]

Operation	Federal grazing permits	Private leases
Lost animals	$1.82	$1.12
Association fees	.27	0
Veterinary	.45	.53
Moving livestock to and from	1.11	1.16
Herding within operation	1.86	.77
Salt and feed	2.32	3.09
Travel to and from operation	1.49	1.19
Water (production items)	.27	.20
Horse	.50	.31
Fence maintenance	.89	.92
Water maintenance	.69	.55
Development depreciation	.37	.10
Other	.44	.47
Totals	12.48	10.41
Federal grazing fee (1990)	1.81	0
Private forage value (includes lessor's overhead and risk) (1990)	0	4.35
Total operating costs P/A.U.M.	14.29	14.79
Capitalized cost of grazing permit [1]	3.25	0
Total costs	$17.54	$14.79

[1] Internal Revenue Service valuation of grazing permit at $850 per animal unit month; Montana, 1980. Capitalized cost is calculated using 8 percent as the long term rate of return as in the 1966 fee study. (650/12×6%=3.25)

Actual out of pocket cost equals ranch unit purchase price divided by 12 months, and multiplied by the long term cost of money. i.e. ($1,000/12=$83.33×10%=$8.33 per A.U.M.; Dr. Fowler, N.M.S.U.)

Source: Dr. Darwin Nielsen, Utah State University.

This table, following the Federal Standards established in the 1966 Fee Study, updates the 1966 results to 1990 values.

Mr. BAUCUS. Unlike private leases, the holder of a Federal grazing allotment must bear the cost of water improvements, predator control, fencing, and roads.

And, as I pointed out on Friday, many Federal rangelands can require as much as 50 acres to sustain one cow—one AUM. For this reason, herding costs and losses from depredation are high on Federal land.

Finally, all of this says nothing of the bureaucratic hassles and headaches that many ranchers must endure. I have great respect for the professionalism of the Forest Service and the BLM. But, for many ranchers, Uncle Sam is not always easy to deal with.

Some supporters of this amendment have pointed out that most Western States charge significantly more than $1.97 per AUM for grazing permits on State lands. In Montana, the basic State grazing fee is over twice that amount.

But this is comparing apples and oranges.

A State grazing permit in Montana amounts to a 10-year lease on the land. For a guaranteed 10 years, the rancher holds his permit. Unlike Federal allotments, the holder of a State grazing permit controls the land and regulates public access.

In addition, if he loses his permit after 10 years, he is compensated for any improvements he made to the land. This is not the case when Federal grazing permits are relinquished or revoked.

If Federal grazing permits included these additional benefits, I suspect most Montana ranchers would be willing to pay a higher fee. However, that is not the issue before us today.

The issue before us today is a referendum on multiple use. Do we believe grazing should be one of the activities we allow on Federal land?

I urge my colleagues to take a stand for multiple use; to take a stand for the family rancher. You can do this by voting to table this amendment.

Mr. DOMENICI. No, Mr. President, I move that the amendment, as modified, be tabled, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The yeas and nays are ordered.

The motion to table has been made. It is not debatable.

The question is on agreeing to the motion to lay on the table the amendment of the Senator from Vermont, as modified.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Florida [Mr. MACK] is necessarily absent.

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

The result was announced—yeas 60, nays 38, as follows:

[Rollcall Vote No. 195 Leg.]

YEAS—60

Adams	Dodd	McCain
Baucus	Dole	McConnell
Bentsen	Domenici	Murkowski
Bingaman	Durenberger	Nickles
Bond	Exon	Packwood
Boren	Ford	Pressler
Breaux	Garn	Pryor
Brown	Gorton	Reid
Bryan	Gramm	Rockefeller
Burdick	Grassley	Roth
Burns	Harkin	Sanford
Byrd	Hatch	Seymour
Coats	Hatfield	Shelby
Cochran	Heflin	Simpson
Conrad	Helms	Specter
Craig	Johnston	Stevens
D'Amato	Kassebaum	Symms
Danforth	Kerrey	Thurmond
Daschle	Lott	Wallop
DeConcini	Lugar	Wirth

NAYS—38

Akaka	Jeffords	Nunn
Biden	Kasten	Pell
Bradley	Kennedy	Riegle
Bumpers	Kerry	Robb
Chafee	Kohl	Rudman
Cohen	Lautenberg	Sarbanes
Cranston	Leahy	Sasser
Dixon	Levin	Simon
Fowler	Lieberman	Smith
Glenn	Metzenbaum	Warner
Gore	Mikulski	Wellstone
Graham	Mitchell	Wofford
Hollings	Moynihan	

NOT VOTING—2

Inouye	Mack

The motion to lay on the table the amendment (No. 1138), as modified, was agreed to.

Mr. FORD. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, under the previous order, it is my understanding that the Senate will now continue consideration of the Interior appropriations bill. I inquire of the Chair whether or not my understanding is correct.

The PRESIDING OFFICER. That is the pending business.

Mr. MITCHELL. Therefore, Senators should be aware that the Senate will continue with consideration of the Interior Department appropriations bill in a short time. There will be no further rollcall votes today, but I believe the managers hope to continue and complete action on a number of measures related to that bill which will not require rollcall votes.

Mr. President, with no other Senator now seeking the floor, I suggest the absence of a quorum.

Mr. President, I withhold that request. I understand the Senator from Montana wishes to address the Senate.

Mr. BAUCUS. Mr. President, I ask unanimous consent to speak as if in morning business.

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

TRADE AND THE ENVIRONMENT

Mr. BAUCUS. Mr. President, we have long realized that environmental protection has important economic impacts.

But we have been slower to realize that those economic impacts do not stop at our borders. Differing levels of environmental protection around the world have a significant impact upon America's economic competitiveness in the world marketplace. I have been very pleased to see a growing awareness of this reality among business, labor, environmentalists, and within the administration.

Because of this increased sensitivity, environmental issues are likely to play an important role in the North American Free-Trade Agreement negotiations.

ENVIRONMENTAL ISSUES IN TRADE NEGOTIATIONS

Including environmental issues in trade negotiations is only the latest stage in a natural progression. As the economies of the world grow more and more interdependent, the scope of trade negotiations must expand.

Originally, trade negotiations focused only upon tariffs. But gradually we came to realize that non-tariff barriers—like quotas and import licenses—were just as important. Years later, we came to realize that other issues, such as subsidies and pricing, also needed to be addressed to ensure a level playing field. Now, we have begun to address still other issues in trade negotiations, such as protection of intellectual property and antitrust policy. Including these new issues has helped to open markets around the world and expand trade.

Now it is time to add environmental protection to the growing list of issues to be addressed in trade negotiations. If one nation chooses not to impose adequate environmental protection requirements, it artificially lowers the cost of doing business in that nation at the expense of the environment. In addition to harming the environment, this creates a competitive advantage vis-a-vis nations that do protect the environment. The advantage can translate into trade gains and attract additional investment.

In light of these trade impacts, environmental issues can no longer be neatly separated from trade issues.

A GATT ENVIRONMENTAL CODE

It is certainly gratifying that environmental issues are being addressed in our free-trade negotiations with Mexico and Canada. But the same logic that led us to include environmental issues in this negotiation applies worldwide.

It is time for the world's trading compact—the General Agreement on Tariffs and Trade or GATT—to be expanded to address environmental concerns. Ideally, an international agreement could be negotiated to set adequate environmental standards worldwide. But such an agreement is likely to be decades away. It will take time. In the interim, I believe a GATT environmental code modeled on the current subsidies code should be negotiated.

Many specific details of such a code must be left to the negotiations, but it should include the following major elements:

Each nation should be allowed to set its own environmental protection standards.

If imported products or the process used to produce those products does not meet the importing nation's environmental standards, duties can be applied to the imported product. Provided that three criteria are met:

First, the environmental protection standards applied must have a sound scientific basis.

Second, the same standards must be applied to all competitive domestic production.

And, finally, the imported products must be causing economic injury to competitive domestic production.

The offseting duties should be set at a level sufficient to offset any economic advantage gained by producing the product under less stringent environmental protection regulations.

A GATT dispute settlement body similar to that established under the subsidies code should settle disputes regarding the operation of the environmental code.

Nations would be allowed to ban imports of goods produced in a manner that violates internationally recognized norms; that is, fish taken by drift net fishing.

Such a code would have three compelling advantages.

First, it would help to level the playing field for U.S. businesses that are forced to meet higher environmental standards than their foreign competitors. Environmental protection would no longer necessarily have a negative impact on the competitiveness of U.S. business.

Second, the code would encourage nations to adopt sound environmental protection. Much of the economic advantage to maintaining lax environmental standards would be gone. And the incentive of avoiding duties would prod nations toward adopting better environmental protection regimes.

Third, these changes would correct an obvious deficiency in the GATT demonstrated by the recent dispute settlement panel ruling in the Mexican tuna case. In this case, the dispute settlement panel ruled that restrictions

that the United States imposed on imports of tuna from Mexico because Mexican tuna fishermen continue to slaughter dolphins violated the GATT. The dispute settlement panel's decision may accurately reflect the current provisions of the GATT. But this is an argument for changing the GATT, not for ending our efforts to protect dolphins.

The new GATT code I have outlined would set a reasonable standard that allows nations to promote legitimate environmental objectives. Obviously, such a provision must be carefully drafted to ensure that such an exemption does not become a guise for protectionism. But such an exemption must be made.

NEGOTIATING AN ENVIRONMENTAL CODE

Obviously, the concept of an environmental code is at a very early stage of development. This is so obvious the concept is not sufficiently refined to be included in the Uruguay round of GATT negotiations.

But it is time to begin discussion now. Toward that end, I invite further comments on the concept of an environmental code from business, labor, the environmental community, and academia. I hope that this concept will soon be sufficiently refined to begin international negotiations.

If our trading partners are unwilling to negotiate, it may at some point be necessary for the United States to explore unilateral changes in its countervailing duty law to establish a system of environmental duties.

CONDITIONING GSP AND CBI

But not all changes in U.S. trade policy to reflect environmental awareness require international negotiations. The United States should consider placing environmental conditions on the trade benefits that it voluntarily extends to other nations under the Caribbean Basin Initiative—CBI—and the Generalized System of Preferences—GSP. The conditions might include requiring that products imported into the United States under CBI and GSP be produced in an environmentally sound manner.

So as not to undermine the programs' economic development goals, these environmental conditions should be phased in. The most highly developed recipients should be required to meet the conditions first. The least developed should be allowed substantially more time or exempted entirely.

Both CBI and GSP have successfully promoted economic development in the developing world. Now it is time to see that they promote ecologically sound economic development.

CONCLUSION

As the world grows more and more interdependent, we cannot afford to limit our thinking and place issues in boxes. We are just beginning to realize that national security policy must have an economic as well as a military dimension. Similarly, we must recognize that trade policy has an environmental as well as an economic dimension. In future trade negotiations, we must address this environmental dimension forthrightly.

I believe that the concepts I have outlined today will move us in that direction.

We must continue to use trade policy to promote growth in the United States and the world. But we should also ensure that the growth, both here and abroad, takes place in an environmentally sensitive manner.

Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

The Senate continued with the consideration of the bill.

Mr. BYRD. Mr. President, I hope that Senators will come to the floor and call up their amendments to the Interior appropriations bill. Senator NICKLES and I are here. Our staffs are here. We will be very happy to discuss the Senators' amendments. There may be some amendments that we could accept. There may be others that we do not accept, but which could be debated and advanced to a stage where the yeas and nays could be ordered, and a vote could then be conducted on Thursday.

It would be rather sad to lose the rest of this day and all day tomorrow and make no progress at all, and still have this bill on Thursday, with no progress made in the meantime.

So I urge the Senators that have amendments and that are interested in discussing them with the managers to come to the floor. We are here and we are very glad to take a look at their amendments.

Mr. NICKLES. If the Senator will yield, I do not know if it is appropriate, but we have a list of amendments from our colleagues and, as the chairman mentioned, some we may be able to accept and, quite possibly and predictably, we will not be able to accept many. It may be that we would have to debate those and have a vote on those on Thursday. I hope that we can.

If nothing else, tonight, I would love to get an agreement that we would limit amendments, so at least colleagues would know we are trying to limit amendments, trying to order amendments, and figure out which ones we can accept and debate, so we can have a final resolution of the bill on Thursday at some point, and stack whatever votes we might have developed between this evening and possibly tomorrow.

Again, I echo the Senator's comments, that if colleagues have amendments they wish to be considered on the Interior bill, I think it is important for them to get them over here so we can have those included in our list, should we come up to some type of agreement to limit amendments and proceed to final passage at some point on Thursday.

Mr. BYRD. Mr. President, I think the Senator from Oklahoma has made an excellent suggestion. I propose that our staffs draw up a list of the amendments that we know about, and then ask the hotlines in both Cloakrooms to contact Senators to see if they have any other amendments and, if they do, try to arrive at a list before the day is over. Hopefully, we can get consent that that list be the alpha and the omega. We would at least have a list, and we would know that once we completed the amendments on that list, we could act on the bill.

So I agree to having our respective Cloakrooms make those inquiries.

Mr. NICKLES. In response to the chairman, I think that is an excellent idea. I hope the Cloakrooms run the whip lines, and we can get the amendments under consent and have final passage at some point on Thursday.

Mr. BYRD. I thank my friend.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Ms. MIKULSKI). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. BYRD. Madam President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair, but with the understanding that the recess will not last beyond 20 minutes until 5 p.m. today.

There being no objection, at 4:24 p.m., the Senate recessed subject to the call of the Chair.

Whereupon, the Senate reassembled at 4:42 p.m., when called to order by the Presiding Officer (Ms. MIKULSKI).

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. I thank the Chair.

(The remarks of Mr. ROCKEFELLER pertaining to the introduction of S. 1721 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. ROCKEFELLER. I thank the Chair.

I yield the floor.

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

The PRESIDING OFFICER (Mr. ROBB). Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the Chair. I offer six amendments en bloc which have been cleared with the ranking manager.

I will now describe the six amendments which Senator NICKLES and I are offering en bloc on behalf of other Senators:

An amendment by Senator DOMENICI which would permit the Secretary of Energy, rather than the Secretary of the Treasury as provided in current law, to renegotiate the existing Union Oil Shale contract for facilities located at Parachute Creek, CO;

An amendment by Senators KENNEDY, KERRY, CHAFEE, and PELL to extend the authorization for the Blackstone River Corridor Commission;

An amendment by Senator WALLOP and others to permit the Federal Government to enter into cooperative audit agreements with States regarding royalty payments from Federal coal and geothermal leases;

An amendment by Senator STEVENS which provides for the transfer of certain lands to the city of Anchorage, AK;

An amendment by Senator LEVIN and others to increase operating funds for North Country scenic trails by $50,000 above the amount earmarked in the committee report; and,

An amendment by Senator SASSER to increase the National Park Service land acquisition account by $200,000 for the purchase of property at Stones River National Battlefield, TN.

Mr. President this provides a summary description of the six amendments, and I understand that the sponsors of these amendments may wish to elaborate further.

I ask unanimous consent they be considered and agreed to en bloc, and that statements and explanations thereof be included in the RECORD as though read, and that the motion to reconsider be laid upon the table.

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

The clerk will report the amendments.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes amendments en bloc numbered 1159, 1160, 1161, 1162, 1163, 1164.

The amendments agreed to en bloc are as follows:

AMENDMENT NO. 1159

(Purpose: To shift the authority to renegotiate an oil shale contract to the Secretary of Energy)

At the appropriate place, insert the following:

SEC. . The last sentence of section 7404(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99-272) as amended by section 6401 of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508) is further amended to read as follows:

"The Secretary of Energy shall have the authority to negotiate and execute agreements modifying an existing contract relating to the production of synthetic crude oil from oil shale, entered into under the Defense Production Act Amendments of 1980 and subsequently transferred to the Secretary of the Treasury for administration, provided the terms and conditions of any modification(s) are revenue neutral or result in a fiscal savings to the United States Government, and in no event would increase the financial exposure of the United States Government under the contract: *Provided further*, That the Secretary of Energy shall have no authority to negotiate and execute any agreement modifying the existing contract if such modification(s) would increase or accelerate the financial support per unit for the synthetic fuel to be produced under the contract."

Mr. DOMENICI. Mr. President, this is a technical amendment to shift the authority to renegotiate an oil shale contract from the Secretary of the Treasury to the Secretary of Energy. The authority to manage the contracts would continue to reside with the Secretary of the Treasury.

The Federal Government currently is obligated to pay the Unocal Corp. $400 million in oil price guarantees for the production of oil shale at its Parachute facility. Current law provides the Secretary of the Treasury the authority to renegotiate a contract with Unocal, provided that the renegotiated contract produces a budget savings and does not increase the financial exposure of the Federal Government.

This amendment makes one simple change. It simply transfers the existing discretionary authority to renegotiate this contract from Treasury to DOE. DOE has much greater expertise in oil shale operations and is the proper entity to conduct such negotiations.

AMENDMENT NO. 1160

On page 56, before line 10, insert the following new section:

SEC. . Notwithstanding Section 7(b) of Public Law 99-647, the Secretary may approve the extension of the Blackstone Commission on or before November 10, 1991, to accomplish the purposes of that subsection.

AMENDMENT NO. 1161

(Purpose: To authorize the Secretary of the Interior to enter into cooperative agreements or to delegate authorities to States and Indian tribes respecting certain royalty management activities.)

Provided further, That notwithstanding any other provision of law, for Fiscal Year 1992 and each year thereafter, the Secretary of the Interior or his designee is authorized to—

(a) enter into a cooperative agreement or agreements with any State or Indian tribe to share royalty management information, to carry out inspection, auditing, investigation or enforcement (not including the collection of royalties, civil penalties, or other payments) activities in cooperation with the Secretary, except that the Secretary shall not enter into such cooperative agreement with a State with respect to any such activities on Indian lands except with the permission of the Indian tribe involved; and

(b) upon written request of any State, to delegate to the State all or part of the authorities and responsibilities of the Secretary under the authorizing leasing statutes, leases, and regulations promulgated pursuant thereto to conduct audits, investigations, and inspections, except that the Secretary shall not undertake such a delegation with respect to any Indian lands except with permission of the Indian tribe involved, with respect to any lease authorizing exploration for or development of coal, any other solid mineral, or geothermal steam on any Federal lands or Indian lands within the State or with respect to any lease or portion of a lease subject to section 8(g) of the Outer Continental Shelf Lands Act of 1953, as amended (43 U.S.C. 1337(g)), on the same terms and conditions as those authorized for oil and gas leases under sections 202, 203, 205, and 206 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1732, 1733, 1735, and 1736) and the regulations duly promulgated with respect thereto: *Provided further*, That section 204 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1734) shall apply to leases authorizing exploration for or development of coal, any other solid mineral, or geothermal steam on any Federal lands, or to any lease or portion of a lease subject to section 8(g) of the Outer Continental Shelf Lands Act of 1953, as amended (43 U.S.C. 1337(g)): *Provided further*, That the Secretary shall compensate any State or Indian tribe for those costs which are necessary to carry out activities conducted pursuant to such cooperative agreement or delegation.

Mr. WALLOP. Mr. President, the amendment I offer today will provide additional revenues to State, tribal, and Federal governments by authorizing cooperative audits for coal, geothermal, and other Federal lease royalties. States and tribes have conducted cooperative audits for oil and gas since 1982, under the Federal Oil and Gas Royalty Management Act. Such audits have proven effective as they have identified almost $1 million of additional royalties—royalties which are split with the Federal Government.

This language to grant the same cooperative auditing authority for coal and other minerals is necessary because after conducting cooperative audits in two Western States for a year the Department of Interior halted the

program until they received clear authorization from Congress. My amendment gives the Department the statutory guidance they feel they need.

I might point out that the cooperative audit programs in those States—California and Utah—proved very beneficial. During the short time they were allowed to perform the auditing they were able to identify almost $9 million in additional royalties. My home State of Wyoming estimates that based on severance tax audits they could identify at least $6 million a year in Federal coal royalties if this program were implemented.

In this time of fiscal austerity, it is clear that a program with such a positive cost benefit analysis is a badly needed and most welcome procedure for both State and Federal governments. This provision is supported by the Western Governors, the Western States Land Commissioners, and the Department of the Interior. I recommend its adoption on the bill before us.

AMENDMENT NO. 1162

(Purpose: To clarify the status of certain lands in Anchorage, Alaska)

On page 115, line 23, add a new section as follows:

SEC. . Amend Section 12(d)(2) of P.L. 94-204 (The Act of January 2, 1976) as follows:

Following the first sentence of the First Proviso, add the following: "Any portion of the 1,000 acres which the Secretary may determine is not needed by the Bureau of Land Management in accordance herewith shall be disposed of by the Secretary according to law,".

In the second sentence of the first Proviso, following the words "public purposes" insert a period. Following the period add the following: "An area encompassing approximately sixty-two acres and depicted on the map entitled 'Native Heritage Park Proposal' and on file with the Secretary shall be managed". At the end of this section, add a new proviso:

"*Provided further*, That to the extent necessary, any and all conveyance documents executed concerning the conveyance of the lands referred to in this proviso shall be deemed amended accordingly to conform to this proviso."

AMENDMENT NO. 1163

(Purpose: To increase funding for the National Park Service Midwest Region National Scenic and National Historic Trails office)

On page 16, line 19, strike "$949,724,000" and insert "$949,774,000"

Mr. LEVIN. Mr. President, I rise today to offer an amendment to H.R. 2686, the Department of Interior and Related Agencies appropriations bill for fiscal year 1992. The amount of money in this amendment is small, but will be significant to many thousands of hikers and users of the North Country and the Ice Age National Scenic Trails, and the Lewis and Clark National Historic Trail. The amendment adds $50,000 to the management of parks budget category to be used by the Midwest Region National Scenic and National Historic Trails administrative office to more effectively manage these trails.

The administration's budget request seeks to provide initial operational funding for the North Country and the Lewis and Clark Trails. Because of many constraints, the bill before us does not contain the funding requested by the administration. That is why I am doubly appreciative that the managers of the bill have recognized the merit and the need for this additional funding in accepting this amendment.

Mr. President, as a result of this amendment, more trail segments will be cleared, more cooperative agreements will be prepared and signed, and more new volunteers will be recruited. The small amount of money we are adding here will leverage hundreds of thousands of dollars in volunteer work hours performed by enthusiastic individuals seeking quality outdoor recreation opportunities.

Significant progress has been made toward completion of the trails, but there are decades of work ahead of us. I encourage my colleagues to visit trails segments in their States and to meet the volunteers that make them possible.

AMENDMENT NO. 1164

On page 20, line 16: delete "$84,750,000" and insert in lieu thereof: "$84,950,000"

PROVISIONS MANDATING DRUG AND ALCOHOL TESTING OF TRANSPORTATION WORKERS

Mr. HOLLINGS. Mr. President, in considering H.R. 2942, the Senate once again can go on record in support of the need to impose necessary safety measures so that all of our citizens can be assured that all feasible steps are being taken to prevent the abuse of alcohol and drugs by those people who operate our transportation system. The amendment I added to this legislation, which the entire Appropriations Committee supports, is intended to signal our resolve in telling the administration and our House colleagues that we believe that mandatory drug and alcohol testing is necessary.

This amendment sends a strong and clear message to those people who operate our Nation's railroads, subways, buses, planes, and trucks that the abuse of alcohol and drugs must stop. The lives of too many people are at stake, and while most of the workers know this, some have continued to place us all at risk.

This amendment is identical to S. 676, the Omnibus Transportation Employee Testing Act of 1991, which the Senate passed on May 20, 1991, and identical to an amendment to S. 1204, the Surface Transportation Efficiency Act of 1991, which the Senate passed on June 19, 1991. The amendment is essentially the same as the bill that Senator DANFORTH and I introduced in the 100th and 101st Congresses. Those bills were debated, reported by the Commerce Committee, and passed overwhelmingly by the Senate twice in the 100th Congress and three times in the 101st Congress. However, regrettably for transportation safety, the 101st Congress ended without an agreement with the House on drug and alcohol testing legislation. This Congress, once again the Commerce Committee overwhelmingly reported this bill, and I am hopeful that we can finally enact this important legislation.

The entire country continues to see the carnage that has resulted from those within the transportation system who do not hold themselves to the highest safety standards possible. The tragic accident in the New York City subway on August 28, 1991, once again all too clearly and unfortunately demonstrated the need for alcohol and drug testing. On other occasions, I have cited the volume of other evidence that also supports the adoption of this legislation.

This amendment is eminently fair. It both mandates testing to protect the public and includes strong safeguards to ensure accurate testing and to protect innocent employees. These safeguards include a requirement that testing follow Department of Health and Human Services guidelines; that initial screening tests be followed up by confirmatory tests by laboratories that meet rigorous certification standards; and that the confidentiality of the results and medical histories be protected. It is also multimodal, covering the rail, aviation, motor carrier, and mass transit industries.

It is critical that we take every step possible to improve transportation safety. By requiring drug and alcohol testing of safety-sensitive transportation workers, this legislation will significantly enhance the safety of the traveling public. It should be favorably considered by Congress and signed into law as expeditiously as possible. Mr. President, those who drink alcohol and/or use illegal drugs have no business operating a train, plane, truck, or bus. They have no business assuming responsibility for innocent lives. I know the vast majority of transportation workers do not abuse the trust we place in them, but we cannot take the risk that a few of their colleagues do not share their dedication and professionalism.

Mr. President, I urge my colleagues to join us in supporting this important safety legislation.

AMENDMENT NO. 1128

Mr. SIMPSON. Mr. President, this is a very important issue to the West. Senator BUMPERS' amendment would impose 1-year moratorium on the issuance of hard rock mining patents. This is only his first step in making some very significant changes in the mining law of 1872. Today, we are addressing only a moratorium, but Senator BUMPERS has a more comprehensive bill before the Energy Committee which

would impose further changes on the manner in which hard rock minerals are developed in this country. We cannot vote today on this singular issue without being fully aware of the implications that this amendment has on the other important mining issues.

The mining law of 1872 is one of the very cornerstones of the private-public land ownership relationship which exists in the West. It is a special relationship—a unique relationship—and one that you must experience and deal with first hand before you can ever possibly fully understand its dynamics, benefits, and disadvantages. I trust my colleagues will listen to those of us from States most affected by this amendment.

Land and water and minerals—hard rock and liquid—are our lifeblood in the West. They are vital to our very survival. The interdependency that exists between private individuals and Federal resources—and the extent and importance of that interdependency—may be difficult to understand if you are from a State that does not have much land owned by the Federal Government. But in the West, we live off the land, literally.

The Federal Government must manage these lands carefully. We must pay close attention to the monetary returns from the natural resources. Let me make it clear that the mining law of 1872 is not a subsidy, nor does the current patent procedure give away lands. The procedure requires extensive exploration and development work on these lands prior to patenting. This is work that would be a tremendous Federal cost if the Government were to perform it. The interlocking relationship between mineral development and land management, and the benefits to the Federal Government from this development, cannot be dissected into individual pieces and parcels.

Hard rock development in the West under the 1872 mining law was and continues to be just as important as our original homestead law. No one should consider that a subsidy for persons dwelling in the West today. This Government had to encourage people to take some risks in moving West that they might not have otherwise made—all in order to develop this Nation. I think, upon scrutiny, you will see that the benefits to the Federal Government from a strong and healthy mining industry far outweigh any lost or forsaken revenue returns.

You cannot carve out a specific mining claim or activity, a particular river, a piece of land, or a specific agricultural product, and solely judge its worth by the revenue it generates for the Federal Government. These resources are components of a larger picture or our national productivity.

There are some major companies which develop important strategic and nonstrategic minerals. But the vast majority of claimants are individuals. They are citizens who pay local and State property and severance taxes. Be it an individual or a corporate effort, claimants invest moneys in the exploration and development of these minerals. They make various improvements to these lands which might not occur otherwise. The discovery of a mineral resource leads to production of that mineral, transportation of the mineral, and marketing of that mineral. All of these activities are beneficial to the State and local governments. They also increase the tax base of the Federal Government.

The use of important strategic and nonstrategic minerals helps our Nation's industry and economy. We are receiving important benefits from our mineral resources and the Federal Government is getting a good deal from the 1872 mining law. It fits into the social, political, and economic system that we have in the West. The mining law serves a fine purpose and I must ask you to consider the consequences for our States' economies that we in the West will most assuredly have to pay should this amendment pass.

RENEWABLE ENERGY JOINT VENTURES

Mr. GORE. Mr. President, today, I was going to offer an amendment which would have proposed an offset of $4 million for renewable energy joint ventures which would have the Federal Government cost-share projects on a 50/50 basis with industry. These joint ventures were proposed in Public Law 101-218 and enhanced in the national energy strategy bills which are under consideration in both the House and Senate.

In fiscal year 1992, the U.S. Department of Energy proposed $2 million for solar and renewable energy joint ventures which was included in the President's budget for State programs under the U.S. Department of Energy. The Subcommittee on Interior Appropriations did not include these joint ventures because renewable energy provisions are usually funded through the Energy and Water Development Appropriations.

In consultation with Secretary Watkin's office of the U.S. Department of Energy, I have been advised that the U.S. Department of Energy will propose to reprogram $4 million on nonrenewable or conservation funds in fiscal year 1991 towards renewable energy joint ventures and interest rate buy downs.

I am pleased at the resolution of this issue, for it is essential for the United States aggressively to promote solar and renewable energy as a partner with industry just as we do so with the clean coal and nuclear industries.

The U.S. Department of Energy has convened its Advisory Committee on Renewable Energy and Energy Efficiency Joint Ventures which will establish the criteria for joint ventures undertaken by the U.S. Department of Energy. I look forward to the formal report of the Advisory Committee and for a very active implementation of this program in cooperation with U.S. industry.

EXCEPTED COMMITTEE AMENDMENT ON PAGE 23

The PRESIDING OFFICER. The question occurs on the committee amendment on page 23.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. 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 FOR 10 MINUTES

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 10 minutes in the hope that we can have some kind of a unanimous-consent request ready to propound when the Senate reconvenes.

There being no objection, the Senate, at 5:19 p.m., recessed until 5:30 p.m., when called to order by the Presiding Officer [Mr. ROBB].

The PRESIDING OFFICER. The Chair recognizes the Senator from Arizona [Mr. DECONCINI].

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

The Senator from West Virginia, the President pro tempore, is recognized.

Mr. BYRD. Mr. President, I thank the Chair.

Earlier, both cloakrooms, at the request of the two managers of the bill, inquired as to whether or not Senators had amendments which they wished to offer to the pending bill, and there were some calls from Senators and staff indicating additional amendments. The ranking manager and I have lists of these amendments, and we are in accord with making this list the full list of amendments, closing out any further amendments beyond the ones on the list.

Senators have been given ample opportunity to add amendments to the list, and of course the bill has been before the Senate for a considerable length of time. I therefore ask unanimous consent that the list of amendments which I send to the desk be the only amendments in order during the remainder of consideration on this bill; that no amendment to an amendment on the list be in order; that additional amendments which are acceptable to

both managers may be called up; provided further that if the amendment on the list by Mr. SANFORD should be agreed to, the agreed list would thereupon be open to any further amendments by any Senator.

Mr. President, I inquire of my colleague on the other side as to whether or not I have left out anything.

Mr. President, I further modify the request to provide that where amendments on the list are not offered to a committee amendment and are therefore open to an amendment in the second degree that such amendment in the second degree, if relevant to that amendment, be eligible for consideration.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request as modified by the President pro tempore?

Mr. NICKLES. Mr. President, I appreciate the work of Chairman BYRD. I have no objection to this agreement. This is something we have been working on for a couple of hours. I think we have accommodated all of the amendment requests of the Senators. That does not mean we have accommodated their amendment but it means their amendment is on the list. So I have no objection to the agreement.

Mr. SANFORD. Mr. President, reserving the right to object, I do not object, but may I inquire why my amendment which is an amendment to cause the Government to pay a contract to Little Swain County in western North Carolina that has been outstanding now for 49 years—may I ask why my amendment has been singled out for such a distinctive honor?

Mr. NICKLES. Mr. President, I will be happy to answer. The reason is because we could not get a unanimous-consent agreement with the Senator's amendment on the list. So we have tried to make this exception to accommodate Senators who had some objections to the Senator's authorizing legislation on this bill.

So that is the reason why there was an exception made.

Mr. SANFORD. Mr. President, may I inquire whether Senator HELMS is the one that has objected?

Mr. BYRD. Mr. President, we do not normally, may I say to my distinguished friend from North Carolina, ask—let us take, for example, the Republican leader who wishes to object on behalf of a Member—we do not normally ask the Republican leader to identify the Member.

Mr. SANFORD. No. I realize that we do not. I understand that we have certain customs. Nevertheless, I made the inquiry directly because I am not always inclined to do things that are customary unless somehow it upsets the country's salvation.

Mr. BYRD. The Senator from West Virginia fully understands.

Mr. SANFORD. But at least I did not get a negative answer to that inquiry.

Mr. BYRD. The Senator did not get a negative answer.

Mr. SANFORD. I have no objection, Mr. President.

The PRESIDING OFFICER. Without objection, the unanimous-consent request propounded and modified by the President pro tempore is agreed to.

Mr. BYRD. Mr. President, I thank all Senators. I thank my colleague, Mr. NICKLES, the ranking manager, for his cooperation.

I thank the members of the staff on both sides of the aisle for helping to work out this agreement. I thank Senator SANFORD, too, for his willingness to proceed on the basis that has been expressed.

I hope now that Senators whose names are on the list will be prepared on tomorrow to come to the floor and call up their amendments, debate them, and possibly have them acted upon.

There is an understanding that there will be no rollcall votes on tomorrow because it is a religious holiday. But Senators may call up their amendments, may debate them if they want a rollcall vote, and if rollcall votes are ordered, those rollcall votes can be put over until Thursday.

If Senators are willing to accept voice votes, then business can be transacted in that manner. In some cases, it may be the two managers cannot agree to accept some amendments. So it would seem to me that there is ample room to make further progress on tomorrow.

I am delighted at the progress that has been made today. It seems to me that we ought to be able to dispose of some amendments tomorrow, or most of them, or all of them, by putting over the rollcall votes until Thursday if such rollcall votes are ordered.

I call the attention of Senators to the fact that the first of the new month of October is 2 weeks from today. The Senate now has passed all of the appropriations bills with the exception of the bill now pending before the Senate, the Interior appropriations bill, the Defense appropriations bill, and the foreign operations bill.

The House will be appointing conferees on the appropriations bills on next Monday and not before next Monday, which means that we have several conferences that will have to be conducted. And if we hope to get the appropriations bills passed and on the President's desk by the first of October, we will have 1 week after next Monday on which day the House will be appointing conferees.

In the meantime, it will be my great desire to finish the pending bill so that we can go to conference immediately upon the appointment of conferees by the House and be in a position at least to complete our work and bring back the conference report to the two Houses.

We have plenty of work to do. We will be racing with the winds of time in an effort to get most of the appropriations bills acted on by way of conference reports before the first of the new fiscal year.

Therefore, I again urge Senators and staffs who may be listening to come to the floor tomorrow with their amendments and give the two managers an opportunity to look at the amendments and possibly agree to them, or proceed to debate them.

Does my friend from Oklahoma wish to say anything in this regard?

Mr. NICKLES. Mr. President, I think that we have counted 34 amendments, not counting any amendments by the managers or technical amendments. I hope that we can dispose with as many of these amendments, including any amendments that really require debate, tomorrow. It may be Swain County, it may be NEA, it may be wolves in Yellowstone or whatever.

I hope for Senators who have contentious debate that we can do that tomorrow. If Senators have amendments that they want to be agreed upon, I hope they will bring those up tomorrow.

I would like to say again, that we have a finite list. We hope to proceed as rapidly as possible to dispose of those because the chairman is exactly right. When we hit the floor on Thursday, it is my hope that we can dispose of this bill, and not only that but we also have the DOD bill and the foreign ops bill, not to mention all the conferences.

So we have a lot of work to do as appropriators, as the chairman is well aware of, in the next week and a half or 2 weeks. I encourage our colleagues—I think we will be more receptive to amendments tomorrow than on Thursday or Friday. Hopefully, we will not be on this bill on Friday.

Mr. BYRD. Mr. President, I think I should read the list of the amendments. I do not really like to proceed as I am proceeding, just handing in a list. I can foresee the time when I might object to that kind of procedure. So I will read the list of amendments.

A Baucus amendment on Pompey's Pillar land acquisition—$900,000 (within available funds);

A Wallop/Burns amendment on Yellowstone wolf reintroduction;

A McCain amendment on transfer of $200,000 from Santa Monica NRA to Saguaro NM for preacquisition studies;

A Bumpers amendment on Hot Springs, Arkansas flood protection cost-sharing language;

A DeConcini amendment on Red Hills Visitor Center—additional $2.3M;

Mr. Moynihan has three Crime bill amendments;

A Seymour amendment on a transfer of funds from multi-species habitat conservation plan work by the Fish and Wildlife Service's Laguna Niguel office to the State of California;

A Murkowski amendment on Alaska Native Claims Settlement Act—contaminant cleanup;

A Pressler amendment on additional $6M for Mt. Rushmore restoration—offset to come from federal highway funds;

A Dixon amendment on $2M for the International Arid Lands Consortium (FS research); offset $1M from Stewardship and $1M from tree planting;

A Bingaman/Domenici amendment to Establish BLM Foundation;

A Byrd amendment to shift $600,000 in FWS funds to FWS training programs;

A Wallop amendment to freeze NPS employee housing costs pending housing comparability study;

A Baucus/Burns amendment on Geothermal steam;

A McCain amendment on Indian Child Abuse Prevention—Transfer $2M from Alcoholism to BIA for prevention activities. (Have signed statement from Senator McCain);

A Simpson amendment on coal technology;

A Murkowski amendment on coal project;

Mr. Helms has 4 amendments on National Endowment for the Arts;

A Burdick amendment on Great Plains coal gasification plant;

A Dixon amendment on Shawnee National Forest—clearcutting and below cost timber sale issues;

A Sanford amendment on Swain County—S. 1339;

A Gorton/Adams amendment to move $500,000 from Olympic National Park land acquisition funding as follows: $325,000 to the Fish and Wildlife Service for Grays Harbor NWR construction; $75,000 to Fish and Wildlife Service Resources Management account for the endangered Snow Leopard in India, Pakistan, and China; and $100,000 to Bureau of Indians Affairs for the Makah Tribe's fish and wildlife management;

A Burns amendment on wolves;

A Burns amendment on geothermal resources;

A Burns amendment on relevant amendment;

A Seymour amendment on Santa Monica Mountains;

A Craig amendment on fundings for Bureau of Mines' minerals institutes;

A Kennedy amendment on NEA;

Mr. Byrd has two relevant amendments;

Mr. Nickles has two relevant amendments;

A Riegle amendment removing crop insurance criteria;

Senator Byrd and Nickles have amendments which are accepted to the managers;

Mr. Dole has 1 relevant amendment; and Mr. Mitchell has one relevant amendment.

Mr. NICKLES. If the chairman will yield, I think the only other one might be amendments mutually agreed upon.

Mr. BYRD. I thank my friend for calling my attention to the oversight. I add to the list—and this is the last item on the list, Mr. President—amendments which are acceptable to the two managers of the bill.

That completes the list, and if the Chair will put the request.

The PRESIDING OFFICER. Is there objection?

Mr. NICKLES. Reserving the right to object, if the chairman will yield further, we would still maintain the provisions dealing with the Sanford amendment, if that was agreed upon, that this agreement would not prohibit further amendments.

Mr. BYRD. The Senator is correct; everything that was included in my first promulgation would be included. The only thing different here is that I have read the list rather than just handed it in, which, since we are repeating some of it, I shall repeat the fact that included in the first request was a provision allowing relevant amendments to the amendments, if the initial amendment is not an amendment to a committee amendment making the initial amendment an amendment in the second degree already.

Mr. NICKLES. I have no objection.

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

AMENDMENT NO. 1165

(Purpose: To settle an agreement dated July 30, 1943 between the Secretary of the Interior of the United States, the State of North Carolina, the Tennessee Valley Authority, and Swain County, North Carolina)

Mr. SANFORD. Mr. President, I believe the pending business is an amendment. I send this amendment forward as a second-degree amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. SANFORD] proposes an amendment numbered 1165.

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

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

The amendment is as follows:

At the end of the committee amendment insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Swain County Just Compensation Act of 1991".

SEC. 2. SETTLEMENT WITH RESPECT TO A ROAD ALONG THE NORTH SHORE OF FONTANA RESERVOIR.

(a) The Congress finds that Swain County, North Carolina, claims certain rights acquired pursuant to an agreement dated July 30, 1943 (hereafter in this section referred to as the "agreement of July 30, 1943"), between the Secretary of the Interior of the United States, the State of North Carolina, the Tennessee Valley Authority, and Swain County, North Carolina, which provided, on certain conditions, that the Department of the Interior would construct a road along the north shore of Fontana Reservoir to replace a road flooded by the construction of Fontana Dam and the filling of the reservoir, which road has not been completed.

(b) In order to settle and quiet all claims arising out of the agreement of July 30, 1943, the following provisions are made:

(1) The Secretary of the Treasury is authorized to pay to Swain County, North Carolina, the sum of $16,000,000. Such sum shall be deposited in an account (the "$16,000,000 Account") in accordance with the rules established by the North Carolina Local Government Commission. The principal of such sum may only be expended by Swain County under a resolution approved by an affirmative vote of two-thirds of the registered voters of Swain County. Interest earned on the unexpended principal of such sum may only be expended by a majority vote of the duly elected governing commission of Swain County.

(2) The governing commission of Swain County is hereby authorized to expend from the $16,000,000 Account such sums as may be necessary to retire the balance, as of the date of the enactment of this Act, of the loan (Case numbered 388756600118, Code numbered 9701) obtained on October 12, 1976, from the Farmers Home Administration.

(3) The governing commission of Swain County is also hereby authorized to expend from the $16,000,000 Account such sums as may be necessary to retire the balance, as of the date of the enactment of this Act, of the loan (Case numbered 3887566001118, Code numbered 9702) obtained on March 4, 1991, from the Farmers Home Administration.

(4) The payments provided for in this section shall constitute full and complete settlement of all claims of Swain County, North Carolina against the United States of America, the Department of the Interior, and the Tennessee Valley Authority arising out of the agreement of July 30, 1943. The United States of America, its departments and agencies, including the Department of the Interior, the National Park Service, and the Tennessee Valley Authority, hereafter shall be deemed to have performed the agreement of July 30, 1943, in every particular. No money appropriated pursuant to this Act shall be paid to or received by an agent or attorney on account of services rendered in connection with the claim settled by this subsection.

Sec. 3. All authorizations in this Act are dependent upon subsequent appropriation of funds for the purposes herein.

Mr. SANFORD. Thank you, Mr. President.

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

Mr. BYRD. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside in order that I might offer a technical amendment on behalf of myself and Mr. NICKLES.

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

AMENDMENT NO. 1163, AS MODIFIED

Mr. BYRD. Mr. President, this amendment is acceptable to both managers.

I ask that amendment No. 1163, previously agreed to, be in order to be modified, and now be agreed to. I send the amendment to the desk.

The PRESIDING OFFICER Mr. (ROCKEFELLER) Without objection, it is so ordered.

The amendment (No. 1163), as modified, is as follows:

On page 16, line 19, strike "$950,274,000" and insert "$950,324,000".

Mr. BYRD. 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. 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, are we in morning business?

The PRESIDING OFFICER. We are not in morning business.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there be a period for morning business not to exceed 30 minutes.

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

ISRAELI LOAN GUARANTEES

Mr. DOLE. Mr. President, I want to bring to the attention of the Senate an excellent editorial in today's New York Times, entitled "The President Is Right on Israel."

I ask unanimous consent to include the full text of the editorial in the RECORD.

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

[From the New York Times, Sept. 17, 1991]

THE PRESIDENT IS RIGHT ON ISRAEL

President Bush is wisely standing firm in urging Congress to delay action on Israel's request for $10 million in loan guarantees to resettle Soviet Jews. His request has drawn fierce rhetorical fire from the Israeli Government of Prime Minister Yitzhak Shamir and its American supporters, and an Israeli Cabinet minister offensively characterized the President as a liar and an anti-Semite.

But Mr. Bush is serving America's best interests, and Israel's too, by making a successful peace conference his top Middle East priority.

Soviet Jews are not really the issue here. The U.S. and Western Europe, which pressed long and hard for the right of these Jews to emigrate, recognize and obligation to help Israel absorb them. The four-month delay Mr. Bush seeks would not jeopardize continued immigration. Its only direct consequence would be higher borrowing cost, and the Administration has hinted it might compensate for that with additional aid.

The showdown is really about the Shamir Government's policy of rapidly and provacatively expanding Jewish settlement in the occupied West Bank, Gaza Strip and Golan Heights. This policy directly compromises both the atmosphere of the conference and the geographic possibilities for trading land for peace.

A succession of U.S. Administrations has opposed Israeli settlements in the occupied territories. And a succession of Israeli Governments has built them anyway. But Mr. Shamir's present Government, the most right-wing in Israeli history, has been particularly zealous on the settlement issue. The Bush Administration believes that Israel violated, at least in spirit, past pledges not to use U.S. loan guarantees to finance settlements. And almost every time Secretary of State James Baker travels to Israel, he has been greeted by a new crop of settlers.

Construction plans already approved by Israel's hard-line Housing Minister, Ariel Sharon, would double the Jewish population of the occupied territories within a year. At that rate, questions like land for peace or Palestinian autonomy could become moot even before a peace conference is concluded.

The conference, if it proceeds, will be a historic achievement. Thanks to Mr. Bush, Mr. Baker and American success in Desert Storm, Israel has a chance to achieve what it has sought since its creation: direct talks with Arab neighbors on recognition and peace. Israel now has to recognize the need to negotiate with representative Palestinians.

America's enhanced stature throughout the region, a product of Desert Storm, will be tested repeatedly at the peace conference. The U.S. will need to lean on Arabs and Israelis alike to reach compromises. Further Israeli settlements would prejudice the possibility of such compromises. Financing them with U.S. dollars would prejudice America's peacemaking role.

Understandably, Israel would like to preempt any U.S. pressure by locking up a commitment to five years of loan guarantees before the conference begins. Wisely, Mr. Bush would rather have Israel enter the conference knowing that its posture could affect the Congressional vote.

Using U.S financial leverage to nudge along a promising peace process amounts neither to duplicity nor anti-Semitism. The president deserves credit, not abuse, for spending his political capital in the cause of Mideast peace.

Mr. DOLE. The editorial—which strongly supports the President's decision to seek a delay in Israel's request for $10 billion in loan guarantees—makes a lot of sense in a lot of ways. But I want to focus in particular on two points.

First, the editorial says, and I quote:

Mr. Bush is serving America's best interests, and Israel's too, by making a successful peace conference his top Middle East priority.

That point seems to have gotten lost somewhere. No one—least of all President Bush—is trying to "stick it" to Israel. What he is trying to do is make a Middle East peace conference a reality, and a success.

Nothing would serve Israel's long-term interests more than that. Nothing would serve the interests of the Soviet Jews pouring into Israel more than that.

And, let me stress, nothing would serve the interests of the United States more than that.

The other point I would stress is this question of "linkage" of this Israeli request with the peace process. The supporters of immediate approval of the request argue that it is wrong to link this humanitarian issue to the peace process.

But the linking is not being done now in Washington—it has been done, for months, in Jerusalem.

It is the Israeli Government, not our Government, that has turned its settlements policy from what it should be—essentially a humanitarian matter—into a security issue.

It is Ariel Sharon, and not George Bush, who sees each newly arriving Soviet Jew as a new opportunity to extend Israel's physical control over another quarter acre of occupied territory.

Mr. President, Secretary Baker has apparently had good talks with Prime Minister Shamir and other Israeli leaders. That is all to the good. Hopefully, the voices of reason in Shamir's government will prevail, and we can work out this issue reasonably, and both sides will be satisfied.

We do understand Mr. Shamir's precarious political situtation. Israel is a democracy, and in a democracy everyone is free to speak his or her mind. Thank God for that.

But democracy is not without its responsibilities and burdens. And Mr. Shamir has a couple of huge burdens that he has to cart around every day, right there in his own cabinet.

No one's interests—not Israel's; not Mr. Shamir's; not ours; and certainly not the prospects for a successful peace conference—no one's interests are served when Israeli Cabinet members recklessly pursue their own politcal agendas, sometimes with little apparent regard for the interests or policies of their own government.

No one's interests are served, above all, when an Israeli Cabinet member slanders the President of the United States.

Mr. President, President Bush has made a reasonable request. I note in an ABC poll that 86 percent of the American people think he is right to make this request. In a very unscientific way, I can tell you that my recent visits to my home State suggest that the President's decision will have overwhelming support in Kansas.

So the American people are behind the President. And I believe that, if it comes to a showdown, the Senate will be behind the President, too.

But the best way out of this is not a showdown. It is for all the shrill voices to be quiet for just a while, and for the two governments involved to work out a reasonable solution, consistent with the President's request—and in the interests of both the United States and Israel.

Mr. President, I add that it seems to me that there are certainly enough people of goodwill on both sides of this particular issue that there is no reason some resolution cannot be achieved.

APPOINTMENTS BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The Chair, on behalf of the President pro tempore, pursuant to Senate Resolution 82 and upon recommendation of the Republican leader, appoints the following Senators to the Select Committee on POW/MIA Affairs: The Senator from New Hampshire [Mr. SMITH]; the Senator from Arizona [Mr. MCCAIN]; the Senator from Colorado [Mr. BROWN]; the Senator from Iowa [Mr. GRASSLEY]; the Senator from Kansas [Mrs. KASSEBAUM]; and the Senator from North Carolina [Mr. HELMS].

The Chair announces on behalf of the Republican leader, pursuant to Senate Resolution 82, the designation of the Senator from New Hampshire [Mr. SMITH] as vice chairman on the Select Committee on POW/MIA Affairs.

Mr. DOLE. Mr. President, I know the members on the other side have been named earlier and we had one vacancy that was not filled. I have now made that determination, and also made the determination who would serve as vice chairman or, as I believe, properly, maybe cochairman of that committee. I have designated Senator SMITH from New Hampshire. I am also very pleased that Senator MCCAIN has agreed to be a member of the committee, as has Senator BROWN, Senator GRASSLEY, Senator KASSEBAUM, and Senator HELMS. This is a important issue, and I hope the select committee can now organize and proceed with its work. I look forward to working with the committee, with Members on both sides of the aisle on this very important issue.

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

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

HENRY BOECK—MINNESOTAN, DISTINGUISHED VETERAN

Mr. WELLSTONE. Mr. President, Plato once said that "what is honored in a country will be cultivated there."

Today I honor a distinguished Minnesotan and World War I veteran, Henry Boeck, who died on September 5, 1991, at the age of 96. The son of German immigrant homesteaders, Boeck volunteered at age 17 for service in World War I.

After being seriously wounded in Verdun, France, he married and settled in Westbrook, MN. His four children and their spouses went on to serve with distinction in World War II, Korea, and Vietnam.

In life, Henry Boeck brought honor to himself, his family, the State of Minnesota, and the country he loved and served. In his passing, let us remember this honor that he cultivated.

As the Senator representing the State of Minnesota, I salute him.

SENATOR PRYOR'S EXPERIENCE AND ADVICE

Mr. HATCH. Mr. President, one of the wonderful things about being a Senator is the opportunity to make friends with your colleagues. I have been privileged to know some of the truly great men and women who have served and are serving in this body; one of these is DAVID PRYOR. It is a joy to welcome him back to the Senate. I can only hope that he will vote with me more often.

I want to call the Senators' attention, if they have not already seen it, Senator PRYOR's startling and poignant first-person account of his heart attack, treatment, and recovery that appeared in the August 1991 issue of Arkansas Time. This is an article that should not be missed.

First, it gives us a new appreciation for the life-saving skills of our medical personnel and investments in medical research and technology. The response of the emergency medical services during the early desperate moments deserves special note. Modern cardiology, in the middle of the night at George Washington University, worked miracles unheard of even a decade ago. It is almost a fantasy to read of dilating coronary arteries from inside the vessel in the midst of the acute heart attack while DAVID watched it happen on a television screen.

Second, he gave us some very sound advice—advice from a man who has been there. He made it clear that his recovery is a dynamic process, with no end point. His recovery steps should be our preventive health steps. It is clear that the majority of heart disease is acquired through our habits, not inherited through our genes. All of us can minimize our risk for heart disease by lifestyle adjustments. The two most important factors under our control are smoking cessation and weight control. Heart attack victims overwhelmingly are men who are overweight, who smoke, who do not exercise, and who consume diets high in fat calories. Risks of heart attack can be reduced four-fold by attention to healthy lifestyles. We need to eat lower on the food chain. DAVID PRYOR's nutritionist said he did not have to give up red meat; he could have a steak twice a year. We must allot time for exercise. Just walking 40 minutes a day can make a difference. Exercise is not only useful for conditioning and weight control, but is an effective stress management method.

Finally, DAVID wrote to each of us with a perspective only a few people have. The lessons Senator PRYOR wants us to learn are clear. He cautioned us to watch our pace and our stress; to smell the flowers along the way; to be a part of our own families, not mere onlookers; and to remember the fragility of our lives and the value of our friends.

I, for one, appreciate this message and the sincerity with which it was delivered. As the Congress returns to work from the August recess, it would be well for us all to remember this advice. And, in doing so, let's all be grateful for the return of our friend DAVID PRYOR.

THE RETIREMENT OF LT. GEN. HARRY E. SOYSTER, DIRECTOR, DEFENSE INTELLIGENCE AGENCY

Mr. BOREN. Mr. President, as chairman of the Senate Select Committee on Intelligence, I have developed great respect for Lt. Gen. Harry E. Soyster, the Director of the Defense Intelligence Agency, who retires in October after more than 34 years of distinguished service to the U.S. Army.

General Soyster has the reputation of always being fair and consistent, which has earned him the respect and loyalty of those who work for him. I am sure this unique capability plays no small role in his success.

During Operations Desert Shield and Desert Storm, the Defense Intelligence Agency under his leadership contributed significantly to the successful coordination of the national Intelligence Community effort in support of the forces deployed in the Persian Gulf.

Throughout his 3 years at the Defense Intelligence Agency, General Soyster concentrated on enhancing the quality of intelligence his Agency supplied to national policymakers, defense officials, and U.S. operational commanders worldwide. In fact, a key element in his recent reorganization of the Agency was the strengthening of elements providing direct, daily, intelligence support to the Joint Chief of Staff.

By virtue of his Agency's work in arms control monitoring, counternarcotics, counterterrorism, and the monitoring of weapons proliferation and technology transfer, General Soyster has had a decidedly positive influence over national policymaking. His tenure has been characterized by intelligence reporting that is timely, objective, and lucid.

I especially appreciate the help General Soyster has given to our committee during his time of service. He has been candid and direct with the committee. He has taken the initiative to make sure that we had the best possible information available to us. His nonbureaucratic approach has been especially admired by our committee.

I am glad to have this opportunity to pay tribute to this outstanding military officer who has worked so hard to bring distinction and recognition to the Defense Intelligence Agency. His achievements are noteworthy and I offer my most sincere best wishes for his future success.

COMMEMORATING MR. EDSON G. CASE, A MEMBER OF THE DEFENSE NUCLEAR FACILITIES SAFETY BOARD

Mr. THURMOND. Mr. President, it saddens me to announce to the Senate, the death on Saturday, September 14, 1991, of Edson G. Case, who was confirmed last year as a member of the Defense Nuclear Facilities Safety Board. Mr. Case was a 34-year veteran of Federal service, and can rightly be called the father of nuclear reactor safety in the Federal Government. When the Senate voted in the 100th Congress to establish a safety board with broad powers over the safe operation of the Nation's critical nuclear weapon facili-

ties, it was no surprise to any of us that the President nominated Ed Case for this job. And when Ed was struck down by his final illness, it was no surprise to any of us that he worked and traveled using the same grueling schedule he always had.

Mr. President, the work of the Defense Nuclear Facilities Safety Board has been crucial in putting our nuclear deterrent on secure footing. We all owe a great deal to Ed Case for this. he was an expert in his field, and our Nation will sorely miss his dedication and skill.

Mr. President, the Nation has lost a dedicated public servant who will be missed by all who served with him during his long career. I join them in expressing my condolences to his family at this time of great sorrow.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,376th day that Terry Anderson has been held captive in Lebanon.

I also note that on October 6 bells in Philadelphia, London, Jerusalem, Moscow, and Kiev will sound a call for the freedom of all hostages, prisoners of war, and missing in action. Mr. President, I commend this effort by the Hartford group, Let Freedom Ring, and ask unanimous consent that an Associated Press article reporting the event be included in the RECORD at this time.

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

GROUP ANNOUNCES PLANS TO RING LIBERTY BELL FOR HOSTAGES

(By A.J. Hostetler)

PHILADELPHIA.—A group said Tuesday it will ring the Liberty Bell and other bells around the world in an international call for the freedom of hostages everywhere.

Let Freedom Ring, a Hartford, CT-based organization, said it plans a ceremony on October 6 to "ring" the Liberty Bell while bells in Jerusalem, Moscow, Kiev, and London chime in, appealing for the immediate release of all hostages, prisoners of war, and those missing in action.

"While we stand on Independence Mall, our counterparts around the world will echo our sentiments," said organizer Arnold Beizer. "Let's let freedom ring, and let every man return to his family. Let them return at the sound of the bell."

In addition, Beizer said, "We're asking everyone to drive with their car headlights on during the day, keep a light lit at night and ring a bell at noon, local time."

Beizer said the group will stage future events to raise money and awareness of the continuing hostage drama. Events will include a concert on May 20 at Philadelphia's Academy of Music.

"Right now, the monumental changes and the move to democracy and freedom taking place in Europe and the Soviet Union underscore the basic desire and need that people have for freedom," Beizer said. "We want to remind everyone in the United States and the world that America is the shining example of freedom."

Backed by the Liberty Bell and 24 empty chairs reserved for American hostages, MIAs, and POWs, Beizer gave out four checks of $5,000 each to organizations supporting efforts to bring home the missing. Checks were given to No Greater Love, the National Forget-Me-Not Association, the American Defense Institute, and the Journalists Committee to Free Terry Anderson, the kidnapped Middle East chief correspondent for the Associated Press.

TODAY'S HUDDLED MASSES: THE CASE FOR ABSORPTION LOAN GUARANTEES

Mr. DECONCINI. Mr. President, President Bush appears to be spoiling for a political battle with concerned American citizens in order to protect what he calls his "new world order." To do so, he seems willing to sell Israel—a stalwart American ally—down the river merely to avoid upsetting some Arab countries which are as principled and trustworthy as the ever-shifting sands of the Arabian desert.

Let me say in the strongest terms possible; I support providing $10 billion to Israel in loan guarantees for the absorption of Soviet and Ethiopian Jewish refugees and I support it without the 120-day delay proposed by the President. I have cosponsored legislation to extend these guarantees to Israel and will join with my colleagues in the Senate in offering the legislation as an amendment to the first appropriate legislative vehicle, if that becomes necessary. And I pledge that if the President carries out his threat to veto any legislation which contains the loan guarantees I will vote to override his veto.

The legislation I have cosponsored allows Israel to borrow up to $2 billion a year for the next 5 years with the United States acting as a guarantor of the loans. These would be 30-year loans with principal payments starting in 2001. The application fee, which may total in excess of $100 million and is required under the new credit reform law, will be paid by Israel. Thus, no appropriated funds will be used in the loan program. Finally, the legislation prohibits any United States guaranteed money to be spent outside Israel's pre-1967 borders, which means the money cannot be used to resettle people in occupied territories such as the West Bank, or Gaza, or other places.

Based on past experience, Israel is in an excellent position to repay any loans it undertakes under the guarantees. Israel has never defaulted on a loan and has paid all of its debts in a timely fashion. I am absolutely certain that these loans will also be repaid. These loan guarantees will not count as direct spending and will not contribute to the Federal budget deficit.

In fact, the United States stands to gain from extending these loans. The American banking system should make a large profit from interest on these loans, and other segments of the economy will benefit as well. Over the next 5 years, Israeli imports from the United States will increase to approximately $30 billion. One domestic industry, which stands to gain from these loans, is the housing sector that last year had exports totaling $250 million. Those exports should increase significantly in the coming years as Israel builds new housing for the influx of immigrants.

For nearly 2 decades, Congress and the executive branch have worked together on the humanitarian effort to ensure freedom of movement in the Soviet Union for all of its citizens, particularly those, like Soviet Jews, who have been the subject of religious discrimination for years. Since my first visit to the Soviet Union in 1978, I have presented to a succession of Soviet leaders hundreds of cases involving literally thousands of Soviet refuseniks, most of them Jewish families seeking their freedom. Other Members in this body—past and present, and I am sure in the future—have done the same thing. President Bush himself has raised the issue of refuseniks in previous meetings with Soviet officials. Now that free movement is closer to reality in the Soviet Union, the President appears poised to break that bipartisan foreign policy agreement by having the United States turn its back on what is, at its essence, a moral issue.

But the battle for free emigration has not yet been won. I have just returned from a week long visit to what is left of the Soviet Union where I presented a list of 86 Soviet refusenik cases to various government officials. During my stay, I was struck and deeply saddened by the increase in anti-semitism as a result of the rise in Russian nationalism. History is replete with examples of persecution of Jews during periods of unrest and social turbulence, a period the Soviet Union is now going through. The United States must redouble its efforts to ensure that this ignominious chapter in history does not repeat itself.

The new exodus of Soviet and Ethiopian Jews represents a golden opportunity for Israel which was founded on the basis of the law of return under which any Jew may automatically become a citizen. These new refugees are not the typical refugee. They are highly educated—41 percent have university degrees, 25 percent are engineers and architects, 15 percent are technicians, and 6 percent are physicians. These new Israelis will eventually help boost Israel's economic growth an estimated 7–8 percent annually, while exports should increase 9–10 percent annually.

Israel expects the absorption of 1 million Jewish immigrants and refugees into its population of 4.8 million to cost approximately $60 billion. Imagine the shock its system faces. If the Unit-

ed States were to incur a similar burden, it would have to absorb the entire population of France. But the United States can only accept a minimal number of Soviet citizens due to our immigration and refugee quotas. If we are not willing to accept this burden, and others will not, tiny Israel stands ready and willing to do so. The U.S. Government is only being asked to assist in this effort with $10 billion in loan guarantees, not hard dollars. Israel, largely through the efforts of Jewry worldwide, will raise the remaining $50 billion.

For these reasons alone, Israel's resettlement efforts deserve American support. However, the United States has a moral responsibility to assist Israel with these efforts. It was an inflexible United States foreign policy, which I strongly supported over the years, to pressure the Soviet Union on its emigration policies that is largely responsible for the current exodus. Assisting Israel with loan guarantees for new housing and basic refugee assistance seems to me to be the very least the United States can do.

It is my strong belief that the President has wrongly tried to link the issue of absorption loan guarantees to the holding of a Middle East peace conference. Israel initially sought these loan guarantees in the spring in the wake of the Persian Gulf war when there was a great deal of sympathy for Israel. At that time, the visions of families donning gas masks as Iraqi Scuds fell on innocent civilians in Tel Aviv were fresh in the minds of all Americans. But President Bush asked Israel to withhold its request until September, and the Israeli Government agreed. At that time, there was no proposal for a peace conference. Immigration of Soviet Jews, however, was a reality then as it is today. Peace in the Middle East is not just in Israel's best interests, it is in the best interests of all countries in the region. Indeed, it is in the best interests of the world community. President Bush's attempted linkage, I believe, is a smoke screen raised to protect his "new world order." It is a linkage which may backfire on both the President and on the peace conference.

Already, we are seeing troubling developments surrounding the peace conference. There are signs of renewed intransigence on the part of Palestinians who would participate in the conference, but who insist that the PLO play an active part. Also, Secretary Baker and his Soviet counterpart have been unable to set a date for the conference. The Arab world has been less than forthcoming in moving toward attending a peace conference, something that is in its own best interest. One only need remember the difficulty Secretary of Defense Cheney had in getting the Saudis to allow United States forces to land on Saudi territory to protect Saudi Arabia from invasion by Iraq to understand the many hurdles still facing this proposed conference. What is to keep the Arabs from missing the opportunity presented to them by the peace conference? They already appear to believe they can stop the construction of settlements in the West Bank and Gaza if they can achieve a delay in the approval of these vital loan guarantees. George Bush appears willing to place his trust in the good will of the Syrians. As for this Senator, I will stick with Israel.

There is no link between the absorption loan guarantees and the Middle East peace conference and President Bush should not try to create one. It now appears unlikely that the October timeframe originally planned for the peace conference can be met. If it is delayed, will President Bush seek yet another postponement on the loan guarantees? Also, the conference may very well last months, if not years. What can possibly be gained by a 120-day delay? The issue will have to be addressed by President Bush, whether he likes it or not. In the meantime, refugees will continue to arrive in Israel. Mr. President, stop your delaying tactics. Help the huddled masses of today to breathe free in Israel.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:40 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 2100) to authorize appropriations for fiscal years 1992 and 1993 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal years for the Armed Forces, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints to the following as managers of the conference on the part of the House:

From the Committee on Armed Services, for consideration of the entire House bill and Senate amendments, and modifications committed to conference: Mr. ASPIN, Mr. BENNETT, Mr. MONTGOMERY, Mr. DELLUMS, Mrs. SCHROEDER, Mrs. BYRON, Mr. MAVROULES, Mr. HUTTO, Mr. SKELTON, Mr. MCCURDY, Mr. FOGLIETTA, Mrs. LLOYD, Mr. SISISKY, Mr. RAY, Mr. SPRATT, Mr. MCCLOSKEY, Mr. ORTIZ, Mr. DARDEN, Mr. HOCHBRUECKNER, Mr. PICKETT, Mr. LANCASTER, Mr. TANNER, Mr. MCNULTY, Mr. BROWDER, Mr. TAYLOR of Mississippi,Mr. DICKINSON, Mr. SPENCE, Mr. STUMP, Mr. HOPKINS, Mr. DAVIS, Mr. HUNTER, Mr. MARTIN, Mr. KASICH, Mr. BATEMAN, Mr. BLAZ, Mr. IRELAND, Mr. HANSEN, Mr. WELDON, Mr. KYL, Mr. RAVENEL, and Mr. DORNAN of California.

As additional conferees from the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 2 of rule XLVIII: Mr. WILSON, Mrs. KENNELLY, and Mr. SHUSTER.

As additional conferees from the Committee on Education and Labor, for consideration of sections 3131 and 3132 of the House bill, and sections 805, 811, 2109, 2807, 3131, and 3136 of the Senate amendments, and modifications committed to conference: Mr. FORD of Michigan, Mr. GAYDOS, Mr. KILDEE, Mr. WILLIAMS, Mr. PERKINS, Mr. GOODLING, Mr. COLEMAN of Missouri, and Mr. HENRY.

As additional conferees from the Committee on Energy and Commerce, for consideration of sections 331, 336, 3131, 3132, 3133, 3138, and 3201 of the House bill, and sections 320, 2804, 2806, 2846, 3131–3136, 3138, 3139, 3201, and 3202 of the Senate amendments, and modifications committed to conference: Mr. DINGELL, Mr. SHARP, Mr. SWIFT, Mr. ECKART, Mr. SLATTERY, Mr. LENT, Mr. RITTER, and Mr. FIELDS.

As additional conferees from the Committee on Foreign Affairs, for consideration of sections 234, 304, 313, 812, and 3136 of the House bill, and sections 211 (b)(3), (g), (h), and (i), 229, 304, that portion of section 801 adding 10 U.S.C. 2526, sections 905, 1111, 1113, 1117–1122, 1127, 1129, 1133, 1134, 1138, 1143, 1144, and 1147 of the Senate amendments, and modifications committed to conference: Mr. FASCELL, Mr. HAMILTON, Mr. YATRON, Mr. SOLARZ, Mr. BERMAN, Mr. BROOMFIELD, Mr. GILMAN, and Mr. LAGOMARSINO.

As additional conferees from the Committee on Government Operations, for consideration of sections 811, 816, and 817 of the House bill, and sections 319, 527, 822, 826, 829, 835, 839, 1103, 1141, 2806, and 2833 of the Senate amendments, and modifications committed to conference: Mr. CONYERS, Mr. ENGLISH, Mr. SYNAR, Mr. WISE, Mrs. BOXER, Mr. HORTON, Mr. SHAYS, and Mr. SCHIFF.

As additional conferees from the Committee on the Judiciary, for consideration of section 817 of the House bill, and sections 626, 826, 1128, 3134, and 3145(b)(4) of the Senate amendments, and modifications committed to conference: Mr. BROOKS, Mr. Frank of Massachusetts, Mr. EDWARDS of California, Mr. FISH, and Mr. GEKAS.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of sections 521–529 of the House bill, and title XXXV of the Senate amendments, and modifications committed to conference: Mr. JONES of North Carolina, Mr. STUDDS, Mr. TAUZIN, Mr. YOUNG of Alaska, and Mr. FIELDS.

As additional conferees from the Committee on Post Office and Civil Service, for consideration of section 508 of the House bill, and sections 526, 622, 624, 627, 831, and 3504 of the Senate amendments, and modifications committed to conference: Mr. CLAY, Ms. OAKAR, Mr. SIKORSKI, Mr. ACKERMAN, Mr. SAWYER, Mr. GILMAN, Mr. HORTON, and Mr. MYERS of Indiana.

As additional conferees from the Committee on Public Works and Transportation, for consideration of section 336 of the House bill, and modifications committed to conference: Mr. ROE, Mr. ANDERSON, Mr. NOWAK, Mr. BORSKI, Mr. OBERSTAR, Mr. HAMMERSCHMIDT, Mr. SHUSTER, and Mr. PETRI.

As additional conferees from the Committee on Science, Space, and Technology, for consideration of sections 801–805, 811, 907, 3132, and 3137–3139 of the Senate amendments, and modifications committed to conference: Mr. BROWN, Mr. SCHEUER, Mr. VALENTINE, Mr. BOUCHER, Mr. STALLINGS Mr. WALKER, Mr. LEWIS of Florida, and Mr. PACKARD.

As additional conferees from the Committee on Small Business, for consideration of section 842 of the Senate amendments, and modifications committed to conference: Mr. LAFALCE, Mr. SMITH of Iowa, and Mr. SLAUGHTER of Virginia.

At 4:11 p.m., a message from the House of Representatives announced that the House has passed the following joint resolutions, each without amendment:

S.J. Res. 126. Joint resolution to designate the Second Sunday in October of 1991, as "National Children's Day"; and

S.J. Res. 151. Joint resolution to designate October 6, 1991, and October 6, 1992, as "German-American Day."

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 3291) 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.

The message further announced that the House has passed the following bill and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 3040. An act to provide a program of Federal supplemental compensation, and for other purposes;

H.J. Res. 233. Joint resolution designating September 20, 1991, as "National POW/MIA Recognition Day" and authorizing display of the National League of Families POW/MIA flag; and

H.J. Res. 305. Joint resolution to designate the month of October 1991, as "Country Music Month."

The message also announced that pursuant to the provisions of 22 United States Code 1928a, the Speaker appoints Mr. FASCELL of Florida, Chairman, and Mr. ROSE of North Carolina, Vice Chairman, of the United States Group of the North Atlantic Assembly on the part of the House.

At 4:56 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the bill (S. 296) to amend the Immigration and Nationality Act to provide for special immigrant status for certain aliens who have served honorably (or are enlisted to serve) in the Armed Forces of the United States for at least 12 years; with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2967. An act to amend the Older Americans Act of 1965 to authorize appropriations for fiscal years 1992 through 1995; to authorize a 1993 National Conference on Aging; to amend the Native Americans Programs Act of 1974 to authorize appropriations for fiscal years 1992 through 1995; and for other purposes.

The message further announced that pursuant to the authority granted on September 12, 1991, the Speaker revises the appointment of conferees on the part of the House in the conference on the bill (H.R. 2508) entitled "An Act to amend the Foreign Assistance Act of 1961 to rewrite the authorities of that Act in order to establish more effective assistance programs and eliminate obsolete and inconsistent provisions, to amend the Arms Export Control Act and to redesignate that Act as the Defense Trade and Export Control Act, to authorize appropriations for foreign assistance programs for fiscal years 1992 and 1993, and for other purposes", to read as follows:

From the Committee on Foreign Affairs, for consideration of the House bill, and the Senate amendment (except title IX), and modifications committed to conference: Mr. FASCELL, Mr. HAMILTON, Mr. YATRON, Mr. SOLARZ, Mr. GEJDENSON, Mr. DYMALLY, Mr. TORRICELLI, Mr. BROOMFIELD, Mr. GILMAN, Mr. LAGOMARSINO, and Mr. LEACH (except as otherwise appointed in the case of Mr. LEACH).

As additional conferees from the Committee on Foreign Affairs, for consideration of title IX of the Senate amendment, and modifications committed to conference: Mr. GEDJENSON and Mr. BROOMFIELD.

As additional conferees from the Committee on Agriculture, for consideration of section 502 of the House bill, and section 516 of the Senate amendment, and modifications committed to conference: Mr. DE LA GARZA, Mr. ROSE of North Carolina, Mr. GLICKMAN, Mr. ROBERTS, and Mr. MORRISON.

As additional conferees from the Committee on Banking, Finance and Urban Affairs, for consideration of sections 401, 403, 644(g), 844(b), and 846(b) of the House bill, and sections 515, 516, 520(b), 606, 721, 722, 723, 741, 742, 771–774, and titles IX and XVIII of the Senate amendment, and modifications committed to conference: Ms. OAKAR, Mr. NEAL of North Carolina, Mr. LAFALCE, Mr. TORRES, Mr. LEACH, and Mr. BEREUTER.

As additional conferences from the Committee on Energy and Commerce, for consideration of sections 848(b) and 1104 of the House bill, and title XVI of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. SWIFT, Mr. ECKART, Mr. LENT, and Mr. RITTER.

As additional conferees from the Committee on the Judiciary, for consideration of that portion of section 621 which adds a section 7202(f) to the Foreign Assistance Act and section 642(b) of the House bill, and modifications committed to conference: Mr. BROOKS, Mr. MAZZOLI, Mr. KOPETSKI, Mr. MCCOLLUM, and Mr. SMITH of Texas.

As additional conferees from the Committee on Merchant Marine and Fisheries, for consideration of that portion of section 101 which adds a section 1303 to the Foreign Assistance Act of 1961, and that portion of section 621 which adds a section 7403 to the Foreign Assistance Act of the House bill, and sections 305 and 680A of the Senate amendment, and modifications committed to conference: Mr. JONES of North Carolina, Mr. STUDDS, Mr. TAUZIN, Mr. DAVIS, and Mr. LENT.

As additional conferees from the Committee on Public Works and Transportation, for consideration of section 848(b) of the House bill, and title XVI of the Senate amendment, and modifications committed to conference: Mr. ROE, Mr. NOWAK, Mr. HAYES of Louisiana, Mr. HAMMERSCHMIDT, and Mr. PETRI.

As additional conferees from the Committee on Ways and Means, for consideration of sections 642(c), 901, and 1071 of the House bill, and sections 514–516, 607A, and 690 of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. GIBBONS, Mr. JENKINS, Mr. ARCHER, and Mr. CRANE.

MEASURES REFERRED

The following joint resolution was read the first and second times by unanimous consent, and referred as indicated:

H.J. Res. 305. Joint resolution to designate the month of October 1991, as "Country Music Month"; to the Committee on the Judiciary.

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-1884. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a Presidential determination with respect to the Union of Soviet Socialist Republics; to the Committee on Finance.

EC-1885. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on implementation of continued full-rate benefits for certain persons who are temporarily institutionalized; to the Committee on Finance.

EC-1886. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a Presidential determination with respect to Romania; to the Committee on Foreign Relations.

EC-1887. A communication from the Assistant Legal Adviser 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 29, 1991; to the Committee on Foreign Relations.

EC-1888. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of reports issued by the General Accounting Office during the month of July 1991; to the Committee on Governmental Affairs.

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. COHEN (for himself, Mr. PRYOR, Mr. BURDICK, Mr. BRYAN, Mr. SARBANES, Mr. RIEGLE, and Mr. GRAHAM):

S. 1718. A bill to amend titles II and XVI of the Social Security Act to improve procedures for the determination of disability for purposes of eligibility under such titles; to the Committee on Finance.

By Mr. SPECTER:

S. 1719. A bill to protect consumers by regulating prerecorded telephone advertising; to the Committee on Commerce, Science, and Transportation.

By Mr. INOUYE:

S. 1720. A bill to amend Public Law 93-531 (25 U.S.C. 640d et seq.) to reauthorize appropriations for the Navajo-Hopi Relocation Housing Program for fiscal years 1992, 1993, 1994, and 1995; to the Select Committee on Indian Affairs.

By Mr. ROCKEFELLER:

S. 1721. A bill to strengthen the coordination and direction of Federal agencies responsible for the promotion of United States export trade, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. BENTSEN (for himself, Mr. PACKWOOD, Mr. MITCHELL, Mr. RIEGLE, Mr. SPECTER, Mr. SASSER, Mr. WOFFORD, Mr. BAUCUS, Mr. BRADLEY, Mr. ROCKEFELLER, Mr. ADAMS, Mr. KENNEDY, Mr. AKAKA, Mr. BREAUX, Mr. GRAHAM, Mr. LEAHY, Mr. CRANSTON, Mr. HARKIN, Mr. BURDICK, Mr. DASCHLE, Mr. JOHNSTON, Mr. SANFORD, Mr. LEVIN, Mr. WELLSTONE, Mr. BINGAMAN, Mr. LAUTENBERG, Mr. FORD, Mr. BRYAN, Mr. REID, Mr. DODD, and Mr. SHELBY):

S. 1722. A bill to provide emergency unemployment compensation, and for other purposes; read the first time.

By Mr. DECONCINI:

S.J. Res. 195. A joint resolution providing that the United States should support the Armenian people to achieve freedom and independence; to the Committee on Foreign Relations.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

Mr. SIMON (for himself and Mr. REID):

S. Res. 180. A resolution to call on the President to begin immediate withdrawal from the U.S. facility at Subic Bay; to the Committee on Foreign Relations.

Mr. KASTEN (for himself, Mr. MACK and Mr. HELMS):

S. Res. 181. A resolution relating to Repeal of the 10 percent excise tax on boats; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. COHEN (for himself, Mr. PRYOR, Mr. BURDICK, Mr. BRYAN, Mr. SARBANES, Mr. GRAHAM, and Mr. RIEGLE)

S. 1718. A bill to amend titles II and XVI of the Social Security Act to improve procedures for the determination of disability for purposes of eligibility under such titles; to the Committee on Finance.

DISABILITY DETERMINATION FAIRNESS ACT

Mr. COHEN. Mr. President, I am pleased to introduce today, together with Senators PRYOR, BURDICK, BRYAN, SARBANES, GRAHAM, and RIEGLE an important piece of legislation that will provide for fairer and faster reviews for many individuals applying for disability benefits under the Social Security and supplemental security income programs. I originally joined our late colleague, John Heinz, then ranking minority member on the Senate Special Committee on Aging, in introducing this bill in the last Congress.

As the Justinian principles state:

> Justice is giving every man—and we add, every woman,—his or her due. It does not mean giving more than their due, but it means not giving them less than their due.

This principle is even more important when we are dealing with the least fortunate of our society—the blind, the elderly and the disabled. This bill we are introducing today will call into play this principle to help make the Social Security disability process a greater due process to those it was created to serve.

As many of my colleagues will recall, the Social Security disability program came under major fire from the Congress back in 1983, when hundreds of thousands of disabled workers and their families lost their benefits and medical support due to arbitrary reviews of persons on the disability rolls. I, Senator LEVIN, Senator Heinz, and several more of my colleagues worked together to urge the Congress to respond to this tragedy by passing comprehensive legislation to assure fair and thorough reviews of disability applicants. The Congress acted by passing the Social Security Disability Benefits Reform Act of 1984.

Despite these reforms, major problems continue to exist in the Social Security review process. The General Accounting Office has found, for example, that over 58 percent of the persons denied disability benefits in 1984 were still unable to work a full 3 years later. Still, these persons have been denied crucial benefits under the disability review process. In addition to the Social Security Administration [SSA] erroneously denying benefits over half of the time, it takes applicants well over 18 months to work their way through the entire appeals process. In over 60 percent of the cases appealed, disabled individuals are eventually awarded benefits, but long after they should have received benefits under the program.

The quality of decisionmaking in the current disability determination process could be significantly improved by speeding the review process and most importantly, by humanizing the process for thousands of applicants.

A face-to-face interview with the applicant early in the process would provide the examiner with a much better assessment of the disabled individual's condition and would reassure the claimants that their case is being handled by a person, not simply by a cold, faceless computer.

The case of a woman from my State of Maine illustrates the need for face-to-face interviews. She has reached middle age and due to her current mental instability, she can no longer hold down a job. She has held eight different jobs in the last several years.

Despite her clear mental incapacity, her initial application for disability was denied and she is now waiting for her case to be heard by an administrative law judge [ALJ].

Because she cannot afford professional counseling, she has no real record of her current disabling condition. Her record on paper, therefore, does not show her true mental condi-

tion and circumstances. A face-to-face interview for her would most certainly provide the examiner with the kind of evidence he or she could not glean from the record alone, and would amply demonstrate that she is eligible for Social Security disability.

Another of my constituents from northern Maine was denied benefits with injuries to his spine, as a result of laboring as a woodworker. When he appealed his case before an ALJ, it was clear from his inability to even sit in a chair, that his injuries would prevent him from working to support himself. He was awarded disability benefits as a result of his face-to-face interview with the ALJ.

A third example of the need for this bill is the compelling story of Ms. June Herrin, whose story was presented to the Senate Special Committee on Aging last year. She initially applied for Social Security disability in December 1987 and was denied. She suffers from severe cardiac disease and diabetes.

In 1988 she was hospitalized three times with a heart attack and congestive heart failure. She reapplied for disability benefits again in March 1989, and was again denied. During this time, she lost her home and was forced to live in her car. In July 1990, after an appeal to the ALJ she was awarded her benefits. Since justice delayed is justice denied, however, the disability process certainly denied Ms. Herrin and hundreds of thousands of people like her their full justice due.

The current disability review process takes far too long and is heavily weighed toward a paper, faceless review of applicants. There are now four stages of administrative reviews and appeals. The initial application for disability benefits begins with the State agency known as the Disability Determination Services [DDS's]. If the initial claim is denied, the application then moves on to a reconsideration stage, also peformed by the DDS's.

Up to this point, applicants have had no opportunity for a face-to-face interview. If an applicant is denied at the second, so-called reconsideration stage, he or she may take the case to an ALJ within the Social Security Administration's Office of Hearings and Appeals. Even though only one-third of disability applicants even bother to appeal to this level, a substantial number of individual cases are awarded benefits by the ALJ. In fact, 63 percent of the cases denied at earlier stages were awarded benefits by ALJ's.

The purpose of the bill we are introducing today, the Disability Determination Fairness Act of 1991, is to provide for more thorough reviews earlier on in the determination process. The bill will require the Social Security Administration to offer personal interviews for applicants with certain types of disabilities who are most likely to be denied at the initial evaluation stage.

Specifically, the bill calls for a personal appearance interview in three classes of cases—mental, cardiovascular, and musculoskeletal impairments—which have the highest rate of reversal at the ALJ stage. It should be clarified that this legislation does not change the initial existing income and resource eligibility requirements, nor does it seek to exclude claimants whose impairments do not meet the strict definition of mental, cardiovascular, or musculoskeletal disabilities in Social Security's listing of impairments. Under no circumstances should an applicant with any of these three impairments be denied the opportunity to receive a face-to-face interview because he or she does not meet the applicable listing. The definitions used in the legislation are meant only to be used as guidelines by the State disability determination services.

If, after receiving a face-to-face interview, the applicant is denied, his or her case would go directly to an ALJ, bypassing the reconsideration stage. A more thorough review of these types of cases initially will decrease the current high rate of appeals.

The GAO, the Administrative Conference, and the American Bar Association support face-to-face interviews as a means of improving the disability determination process. This was also the recommendation of the Senate Special Committee on Aging, in its 1990 report, "Disabled Yet Denied: Bureaucratic Injustice in the Disability Determination System."

I am also encouraged by the preliminary reports of the Social Security Administration's personal appearance demonstration projects [PAD], the results of which show that a face-to-face interview could improve the disability application process. We are hopeful that the full report will be released soon.

Mr. President, I recognize that much work needs to be done to improve the Social Security disability process fully and that this bill is not a panacea for the flaws and inequities in this program. In the coming months, I and my staff on the Special Committee on Aging will continue to evaluate and recommend changes in the disability review process. Providing face-to-face interviews in these major classes of cases is, however, an important first step in reforming the process and will correct a problem that affects the immediate needs of applicants and a Social Security disability review system that has been plagued with overwhelming workloads through lengthy appeals.

In closing, I would offer to my colleagues the following words of Franklin D. Roosevelt in his speech before a Democratic Convention:

> Governments can err . . . But the immortal Dante tells us that divine justice weighs the sins of the coldblooded and the sins of the warmhearted on a different scale. Better the occasional faults of a government living in a spirit of charity than the consistent omissions of a government frozen in the ice of its own indifference.

When we are dealing with the members of our society most in need of assistance, we should ensure that the Government does not add another burden to the ones they already must bear. The bill that we are introducing today will make the Social Security disability application process more efficient and most importantly, fairer to those who most greatly need our support, not our indifference.

• Mr. SARBANES. Mr. President, I rise today to join my colleague, Senator COHEN, in introducing the Disability Determination Fairness Act. Last year, a similar measure was introduced by our former colleague Senator Heinz, and I am pleased that Senator COHEN is carrying on the work to which John Heinz was so committed.

This important measure simplifies the Social Security disability insurance process for individuals with certain kinds of disabilities. The basic principle of the legislation is to shift to face-to-face interviews earlier in the process and thus prevent much of the hardship now suffered by claimants as a direct result of the interminable delays encountered in the appeals process.

Mr. President, the process for obtaining Social Security disability insurance is both complex and extremely time consuming. In order to receive disability benefits an applicant must go through as many as four stages in the appeals process. This is a process which can take years. It is a process during which claimants, who have already lost their health and the ability to provide for themselves and their family, now face the very real prospect of losing everything else as well—home, health insurance, adequate medical care, possessions.

The changes called for in this bill represent no more than an effort to ensure fairer administration of an extremely tough law and to provide earlier relief for those eligible. By affording a face-to-face interview early in the process to those suffering from cardiovascular, mental, and musculoskeletal impairments, claimants would be spared an entire year of waiting.

Mr. President, a staff report to the Special Committee on Aging highlights the inherent unfairness of the current process: Although 60 percent of those who appeal to an administrative law judge are approved for benefits, this percentage represents only one-third of the 63 to 85 percent of claimants who are denied at the first two levels. The remaining two-thirds simply give up. It is no coincidence that the majority of approvals come at the only time an applicant is allowed a face-to-face interview.

The bill introduced today does not solve the whole problem, but it does allow claimants in some of the most critical areas to have earlier access to the justice they are due. Early face-to-face interviews are essential to providing the disabled with the benefits they deserve in a timely manner. This legislation is necessary in order to ensure that the disabled are treated with the dignity and respect they deserve. I urge all of my colleagues to support this proposal.●

By Mr. SPECTER:

S. 1719. A bill to protect consumers by regulating prerecorded telephone advertising; to the Committee on Commerce, Science, and Transportation.

PRERECORDED SOLICITATION CONSUMER RIGHTS ACT

Mr. SPECTER. Mr. President, today I am introducing the Prerecorded Telephone Advertising Consumers Rights Act of 1991. This bill will restrict telephone solicitations that are made through automatic dialing message systems and those with artificial or prerecorded voices. This legislation calls for the creation of a national database which will collect the phone numbers of those citizens who do not wish to receive unsolicited phone advertising. Furthermore, these automated and prerecorded phone calls would be banned from emergency telephone lines of any hospital, medical physician or services office, health care facility, fire protection, or law enforcement agency.

In the past 10 years, there has been an enormous increase in the usage of the telephone as a marketing tool. Expenditures in the United States on telemarketing have increased from $1 billion in 1980 to $60 billion presently. In 1990 alone, telemarketing sales reached $435 million.

Yet, the success of the telemarketing industry has been accompanied by numerous problems. In particular, the automatic dialing systems have invaded the privacy of every telephone-owner in the country. Today, over 300,000 telemarketing agents make 18 million calls a day to citizens throughout the country. It goes without saying that among the 18 million unsolicited calls there are many that are unwanted and possibly harmful to the community.

With the new automatic dialing technology, many of the dialing machines sequentially deliver prerecorded messages to thousands of phone numbers. Many of the numbers that are called have been those of hospitals, police stations, and firehouses. The phone lines, which are intended for emergency use are rendered inoperable. Citizens are unable to contact those officials who could possibly stop a crime or save a life. This proposed legislation would make it illegal for the automatic dialing systems and prerecorded messages to call these vital emergency telephone lines.

Furthermore, many telephone owners simply do not want to be contacted by unsolicited recorded phone advertising. Those phoneowners with unlisted numbers are contacted just as frequently by the random autodialers as those with listed numbers. These calls are not only a nuisance but an invasion of privacy.

I have received numerous letters from constituents complaining about early morning phone calls from telemarketers. Many phoneowners have been forced to screen their phone calls through the use of their answering machines. One gentleman, in particular, Mr. William A. Grundy from Ambler, PA, informed my staff that phone calls from telemarketers are extremely troubling. Mr. Grundy explained that as an older gentleman he has difficulty walking. In one instance, he fell down the stairs in his home attempting to answer the telephone. On the other line was, of course, a prerecorded telephone solicitation. In addition, many businesses are called by the telemarketers, making their work lines unreachable to the publlic and affecting the owner's ability to effectively run his business.

This bill calls for the creation of a national database which would contain a list of those individuals who do not want to receive phone calls from automatic dialing message systems. The list would be available for both consumers and business owners and would be free.

The telemarketers would be required to respect the wishes of those on the list and cease calling them. It is true that there already exists a service which has a restricted telephone list, but this option is not widely publicized and only has 400,000 names on it. Moreover, use of this list among the telemarketers is only optional and there is no penalty for ignoring it.

It is important to note that this bill does not ban all automated calls. Those calls which are manned by live attendants where the person who receives the telephone call can simply ask the caller to hang up are not restricted by this bill. It restricts only automatic dialing message systems with artificial or prerecorded voices that are sent to hospitals, health care facilities, fire houses, and police stations.

I have recognized that a complete ban on automatic dialing systems is impractical. In fact, such a ban could be detrimental to a community. Police Officer Jim Howell of the Mt. Lebanon, PA, Police Department has told my staff that automatic dialer is vital to his city's Neighborhood Watch Program for it allows quick and easy exchange of important crime watch information. Without the use of the autodialer, crimes could not be prevented and criminals could evade law enforcement officials.

I am introducing this bill in response to concerns that have been voiced by the community. Prerecorded telephone solicitations have affected every aspect of our society and must be regulated. I believe this legislation will rectify this problem in a fair and balanced manner.

Mr. President, I ask unanimous consent that the full text of the bill I am introducing today be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, AS FOLLOWS:

S. 1719

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 "Prerecorded Telephone Solicitation Consumer Rights Act".

SEC. 2. FINDINGS.

The Congress finds that:

(1) Over 300,000 telemarketing agents make 18 million telemarketing calls a day.

(2) An automatic dialing recorded message program can make sixty random sales calls in an hour.

(3) Unrestricted telemarketing is an intrusive invasion of privacy, and a risk to public safety when an emergency or medical assistance is called.

(4) There already exists a service which has a restricted telephone list, but this option is not widely publicized, only has 400,000 names on it, and lacks enforcement mechanisms.

(5) Forty-two states introduced some type of legislation affecting how telephone sales operations do business and twenty-one states have passed laws restricting auto-dialed telephone solicitations, but many telemarketers can circumvent these restrictions through interstate operations, and thus Federal legislation is necessary to control prerecorded telephone advertising.

SEC. 3. RESTRICTIONS ON THE USE OF PRERECORDED COMMERCIAL TELEPHONE CALLS.

(A) AMENDMENT.—Title II of the Communications Act of 1934 (47 U.S.C. 201) is amended by adding at the end thereof the following new section:

"SEC. 228. RESTRICTIONS ON THE USE OF PRERECORDED COMMERCIAL TELEPHONE CALLS.

"(a) DEFINITIONS.—As used in this section—

"(1) The term 'automatic dialing recorded message programs (ADRMP's)' means equipment which has the capacity—

"(A) to store or produce telephone numbers to be called, using a random or sequential number generator;

"(B) to dial such numbers; and

"(C) to transmit a voice-recorded message.

"(2) The term 'unsolicited prerecorded telephone solicitation' means a prerecorded telephone call by a person for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services, or for other commercial purposes, which is transmitted to any person without that person's prior express invitation or permission. Such term does not include calls or messages made by or on behalf of a tax exempt nonprofit organization.

"(b) RESTRICTIONS.—It shall be unlawful for any person within the United States—

"(1) to make any call using any automatic dialing recorded message program system (ADRMP's) or an artificial or prerecorded voice—

"(A) to any emergency telephone line or pager of any hospital, medical physician or services office, health care facility, or fire protection or law enforcement agency;

"(B) to any telephone number assigned to paging or cellular telephone service; or

"(C) to any restricted telephone number on the national database list, as provided in subsection (c).

"(c) PROTECTION OF SUBSCRIBER PRIVACY RIGHTS.—

"(1) RULEMAKING PROCEEDING REQUIRED.—Within 120 days after the date of enactment of this section, the Commission shall initiate a rulemaking proceeding concerning the need to protect residential telephone subscribers' privacy rights to avoid receiving unsolicited prerecorded telephone solicitations to which they object. The proceeding shall—

"(A) further define 'unsolicited prerecorded telephone solicitation' consistent with subsection (a)(2);

"(B) compare and evaluate alternative methods and procedures, including the use of telephone electronic databases, telephone network technologies, special directory markings, industry and company based 'do not call' systems, and any other alternatives, individually or in combination, for protecting such privacy rights, in terms of their cost effectiveness and their other advantages and disadvantages;

"(C) evaluate the categories of public and private entities that would have the capacity to establish and administer such methods and procedures;

"(D) consider whether such methods and procedures may apply for local telephone solicitations, such as those of small businesses or holders of second class mail permits; and

"(E) develop proposed regulations to implement the methods and procedures that the Commission determines are most effective and efficient to accomplish the purposes of this section.

"(2) REGULATIONS.—Not later than 240 days after the date of enactment of this section the Commission shall conclude the rulemaking proceeding initiated under paragraph (1) and shall prescribe regulations to implement methods and procedures for protecting the privacy rights described in such paragraph in an efficient, effective and economic manner and without the imposition of any additional charge to telephone subscribers.

"(d) TECHNICAL AND PROCEDURAL STANDARDS.—

"(1) PROHIBITION.—It shall be unlawful for any person within the United States—

"(A) to initiate any telephone call using any automatic telephone dialing system that does not comply with the technical and procedural standards proscribed under this subsection, or to use any automatic telephone system (to transmit prerecorded telephone solicitations) in a manner that does not comply with such standards.

"(2) ARTIFICAL OR PRERECORDED VOICE SYSTEMS.—The Commission shall prescribe technical and procedural standards for system that are used to transmit any artificial or prerecorded voice message via telephone. Such standards shall require that—

"(A) all artificial or prerecorded telephone messages (i) shall, at the beginning of the message state clearly the identity of the business initiating the call, and (ii) shall, during or after the message, state clearly the telephone number or address of such business; and

"(B) any such system will automatically release the called party's line within 5 seconds of the time the system receives notification that the called party hung up, to allow the called party's line to be used to make or receive calls.

"(e) STATE LAW NOT PREEMPTED.—Nothing in this section or in the regulations prescribed under this section shall preempt any State law that imposes more restrictive intrastate requirements or regulations on, or which prohibits—

"(1) the use of automatic telephone dialing systems to transmit prerecorded telephone solicitations; and

"(2) the use of artificial voice or recorded messages.

"(f) PREEMPTION OF INCONSISTENT INTERSTATE COMMUNICATION LAWS.—This section preempts any provisions of State law concerning interstate communications that are inconsistent with the interstate communications provisions of this section."

(b) CONFORMING AMENDMENT.—Section 2(b) of the Communications Act of 1934 (47 U.S.C. 152[b]) is amended by striking "and 225" and inserting in lieu thereof ", 225, and 228".

By Mr. INOUYE:

S. 1720. A bill to amend Public Law 93-531 (25 U.S.C. 640d et seq.) to reauthorize appropriations for the Navajo-Hopi Relocation Housing Program for fiscal years 1992, 1993, 1994, and 1995; to the Select Committee on Indian Affairs.

REAUTHORIZATION OF NAVAJO-HOPI RELOCATION HOUSING PROGRAM

• Mr. INOUYE. Mr. President, in the 100th Congress, I introduced S. 1236 to reauthorize the Navajo-Hopi Relocation Housing Program. This reauthorization will expire at the end of 1991. S. 1236, provided $40 million for the housing construction program conducted by the Relocation Commission. The legislation increased the authorization from $15 million to the current level of $30 million. The bill I am introducing today would extend the current authorization of $30 million for the relocation housing program through fiscal year 1995.

Based on the current information provided by the Office of Navajo and Hopi Indian Relocation, there are 2,836 certified applicants for relocation benefits and 769 active eligibility appeals. As of June 3, 1991, there are 892 certified applicants who have not yet relocated. There are currently 158 residents of the Hopi partitioned lands who are certified and are awaiting their relocation benefits. During fiscal year 1991, 84 families have relocated. Since the program was initiated, a total of 1,944 families have received their relocation benefits. Over the last 3 years, the Relocation Commission received an average annual appropriation of $19.2 million. Over this same period, the number of families relocated has averaged 213 annually. Given these figures, it is estimated that it will take an additional 4 years to provide relocation benefits to the remaining 892 certified applicants.

Mr. President, I ask unanimous consent that a summary of the legislation be printed in the RECORD.

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

SECTION-BY-SECTION SUMMARY ANALYSIS OF THE NAVAJO-HOPI RELOCATION HOUSING PROGRAM REAUTHORIZATION ACT OF 1991

Section 1. Section (1) cites the short title of the Act as the "Navajo-Hopi Relocation Housing Program Reauthorization Act of 1991".

Section 2. Section (2) of this Act amends section 25 of Public Law 93-531 to extend the authorization of the Navajo-Hopi Relocation Housing Program through fiscal year 1995. The amount of funding authorized under this Act would remain $30,000,000 for each fiscal year.•

By Mr. ROCKEFELLER:

S. 1721. A bill to strengthen the coordination and direction of Federal agencies responsible for the promotion of U.S. export trade, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

EXPORT TRADE PROMOTION AND TRADE FINANCE ACT

Mr. ROCKEFELLER. Mr. President, today I rise to introduce legislation that will make American industries more competitive abroad, create jobs, and slash the crippling trade deficit that Reaganomics and the Bush Presidency has foisted upon our economy.

The Export Trade Promotion and Trade Finance Act of 1991 is the product of extensive discussions with small businesses and others committed to making the United States a successful exporter. It does not address all the problems we have in the trade area. Indeed, it is only the first of a series of bills I plan for this session of Congress to deal with the full range of competitiveness problems the country faces. At a later point, Mr. President, I will be taking the floor to discuss my proposals on education and worker training, support for critical technologies, capital costs, and trade and investment policy.

As the cold war fades and the true measure of international influence becomes economic strength, American industry must be given the tools it needs to compete in an increasingly competitive marketplace.

While American businesses fight to adjust to a rapidly changing global market, they are handcuffed by a too often insensitive and uncoordinated Federal export bureaucracy. Our competitors lean on a single Trade Ministry for aggressive, coordinated export strategies providing everything from market analysis to low-cost financing and tied-aid credits. American companies must wade through a 15-agency bureaucratic swamp of dubious advice, limited resouces and petty bureaucratic struggles before emerging—barely competitive—in the international arena.

American exporters face an additional handicap because of commercial banks' reluctance to finance export ventures. Across the Nation, American business faces a so-called credit crunch—banks burned in the past by bad real estate loans and risky foreign ventures are reluctant to make new loans, or to return to international lending. This credit crunch is particularly acute for small-and medium-sized ventures where the risks involved outweigh the returns from the loans. Yet when one considers that U.S. exports are dominated by a small handful of operations, it is obvious that great potential for expansion exists in precisely this category of small- and medium-sized businesses.

If American business is going to compete and thrive in the coming decades, then we must adapt to the changes taking place in the global marketplace. The Federal Government cannot by itself expand our exports. That is not the way our free market works. But a responsive Federal effort can play midwife to a thousand successful private ventures. That is how economies grow. That is how jobs are created.

Government can be part of the solution.

The bill I am introducing today is a first step in meeting the demands of American exporters.

The bill will provide American exporters with one stop shopping, merging two vital functions into a single office: marketing information and export finance. And it gives commercial banks the incentives they need to return to the export finance market.

My bill will create a Bureau of Trade Development and Trade Finance within the Commerce Department. It joins the marketing functions of the U.S. Foreign Commercial Service and the Department's Office of Trade Development with the finance functions of the Export-Import Bank. It creates a powerful agency where American exporters can assemble a complete export package.

Second, to encourage banks to return to export finance, it builds on Eximbank's practice of bundling small export loans together. It creates regional banking pools for small- to medium-size export loans, as it currently does in Mexico, lessening the cost and the administrative burden of carrying small loans. The bill would provide further incentives by creating a secondary market for these loans in the form of Eximbank notes.

Third, to combat the trade distorting practice of mixed or tied credits, it expands the banks' tied-aid war chest and makes countries' continued use of tied-aid credits actionable as an unfair trader practice under section 301 of the Trade Act of 1974. This will provide a useful incentive to conclude the current OECD negotiations on tied-aid credits.

Mr. President, the use of tied-aid credits is a particularly insidious practice, and we have been negotiating to end it for almost 2 years. Unfortunately, the negotiations have been bogged down in a morass of unnecessary delays. Using section 301 would help force those who engage in this practice to put an end to it.

This bill is not about jurisdiction; it is not reshuffling agencies just to reshuffle. It is a bold step beyond rhetoric, into the reality of a competitive American economy.

Where America once stood as an unchallenged economic colossus, we approach the 21st century as one economic competitor among many. To continue to lead, to realize the growth our Nation and our working families must have, our Government must adapt. Just as we ask industries to rise to ever greater challenges, just as our workers must become more skilled, our Government must become more effective in building an effective, international economy.

I encourage my colleagues to join me by cosponsoring this bill, and I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the RECORD.

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

S. 1721

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Export Trade Promotion and Trade Finance Act of 1991".

FINDINGS

SEC. 2. The Congress finds the following:

(1) The economic well-being of the United States is increasingly dependent on the ability of United States companies to compete in world markets.

(2) The Federal Government can assist such worldwide competitiveness through export promotion activities.

(3) Existing United States export promotion programs are often criticized for a lack of direction and coordination. Federal agencies involved in export promotion have been pursuing their respective agendas with little or no coordination with each other.

(4) The Nation's economic interests would benefit by consolidating those agencies within a business-oriented department of the United States Government.

(5) Over the past decade, commercial banks have deserted the business of providing export financing to small and medium-sized borrowers. One means for stimulating the return of commercial banks to this market is to strengthen the programs of the Export-Import Bank of the United States, which are in a weakened condition, and to consolidate those programs with the marketing functions of the Department of Commerce.

BUREAU OF TRADE DEVELOPMENT AND FINANCE

SEC. 3. (a) ESTABLISHMENT.—There is established within the Department of Commerce a Bureau of Trade Development and Finance. The Bureau shall include—

(1) the Export-Import Bank of the United States;

(2) the United States and Foreign Commercial Service; and

(3) the Assistant Secretary for Trade Development and the functions for which such Assistant Secretary was responsible immediately before the effective date of this Act.

(b) UNDER SECRETARY FOR TRADE DEVELOPMENT AND FINANCE.—The Bureau established under subsection (a) shall be headed by an Under Secretary of Commerce for Trade Development and Finance, who shall be appointed by the President subject to the advice and consent of the Senate.

(c) PAY OF UNDER SECRETARY.—Section 5314 of title 5, United States Code, is amended by striking "President of the Export-Import Bank of Washington." and inserting in lieu thereof "Under Secretary of Commerce for Trade Development and Finance, the incumbent of which also serves as President of the Export-Import Bank of the United States.".

(d) PRESIDENT AND FIRST VICE PRESIDENT OF BANK.—Section 3(b) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(b)) is amended to read as follows:

"(b) The Under Secretary of Commerce for Trade Development and Finance shall be President of the Export-Import Bank of the United States and shall serve as chief executive officer of the Bank. There shall be a First Vice President of the Bank, who shall be appointed by the President of the United States subject to the advice and consent of the Senate, who shall serve as President of the Bank during the absence or disability of or in the event of a vacancy in the Office of the President of the Bank, and who shall at other times perform such functions as the President of the Bank may from time to time prescribe."

(e) BOARD OF DIRECTORS OF BANK.—Section 3(c)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(c)(1)) is amended to read as follows:

"(c)(1) There shall be a Board of Directors of the Bank consisting of the Secretary of Commerce (who shall serve as Chairman), the President of the Export-Import Bank of the United States (who shall serve as Vice Chairman), and the First Vice President of the Bank.".

(f) ASSISTANCE BY USFCS.—Section 2301(h) of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4721(h)) is amended to read as follows:

"(h) ASSISTANCE TO EXPORT-IMPORT BANK.—The Commercial Service shall provide, at its district offices in the United States, such services as the Secretary determines necessary to assist the Export-Import Bank of the United States to carry out the lending, loan guarantee, insurance, and other activities of the Bank.".

NATIONAL ADVISORY COUNCIL

SEC. 4. The National Advisory Council on International Monetary and Financial Policies (as established by Executive Order numbered 12188 of January 2, 1980) shall be chaired by the Secretary of Commerce instead of the Secretary of the Treasury.

TRANSFER TO THE DEPARTMENT OF COMMERCE

SEC. 5. (a) TRANSFER OF EXPORT-IMPORT BANK.—The Export-Import Bank of the United States is transferred to the Department of Commerce.

(b) ADMINISTRATIVE PROVISIONS.—In addition to the authority contained in any other Act authorizing functions transferred to the Secretary of Commerce by this Act, the Secretary is authorized, subject to the civil service and classification laws, to select, appoint, employ, and fix the compensation of

such officers and employees, including investigators, attorneys, and hearing examiners, as are necessary to carry out the provisions of this Act, and to prescribe the authority and duties of such officers and employees.

(c) TRANSFER MATTERS.—(1) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, in connection with the functions and offices transferred by this Act, are, subject to section 1531 of title 31, United States Code, correspondingly transferred to the Department of Commerce for appropriate allocation.

(2) Unexpended funds transferred pursuant to paragraph (1) shall be used only for the purposes for which the funds were originally authorized and appropriated, except that such funds may be used for the expenses associated with carrying out transfers under this Act.

(3) The transfer of personnel pursuant to paragraph (1) shall be without reduction in classification or compensation for one year after such transfer.

(4) Any person who, on the day preceding the effective date of this Act, held a position compensated in accordance with the Executive Schedule, and who, without a break in service, is appointed in the Department to a position having duties comparable to those performed immediately preceding that appointment shall continue to be compensated in the new position at not less than the rate provided for the previous position, for the duration of that person's service in the new position.

(5) In the exercise of the functions transferred under this Act, the Under Secretary of Commerce for Trade Development and Finance shall have the same authority as was exercised by the President of the Export-Import Bank of the United States immediately preceding their transfer, and the actions of the Secretary, as the case may be, in exercising such functions shall have the same force and effect as when exercised by the President of the Export-Import Bank immediately preceding the transfer of such functions.

(6)(A) The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions and offices transferred by this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions and offices as may be necessary to carry out the transfer provisions of this Act. The Director shall provide for such further measures and dispositions as may be necessary to effectuate the purposes of this Act.

(B) After consultation with the Director of the Office of Personnel Management, the Director of the Office of Management and Budget is authorized, at such time as the Director of the Office of Management and Budget provides, to make such determinations as may be necessary with regard to the transfer of positions within the Senior Executive Service in connection with functions and offices transferred by this Act.

(d) SAVINGS PROVISIONS:—(1) All orders, determinations, rules, regulations, permits, grants, contracts, certificates, licenses, and privileges—

(A) which have been issued, made, granted, or allowed to become effective by the President or any Federal department or agency, or by any court of competent jurisdictions, in the exercise of functions which are transferred under the functions which are transferred under this Act; and

(B) which are in effect at the time that Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by the President or Secretary of Commerce as the case may be, by any court of competent jurisdiction, or by operation of law.

(2) This Act does not affect any proceedings, including rulemaking proceedings, or any application for any license, permit, certificate, or financial assistance, pending on the effective date of this Act, before any office transferred by this Act. Such proceedings, to the extent that they are before an office so transferred, shall be continued at the Department of Commerce. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted; and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary of Commerce, by a court of competent jurisdiction, or by operation of law.

(3) Except as provided in paragraph (5)—

(A) the provisions of this Act shall not affect actions commenced prior to the effective date of this Act, and

(B) in all such actions, proceedings shall be had, appeals taken, and judgments rendered, in the same manner and effect as if this Act had not been enacted.

(4) No action or other proceeding commenced by or against any officer in that officer's official capacity as an officer of the Export-Import Bank of the United States shall abate by reason of the enactment of this Act. No cause of action by or against the Bank, or by or against any officer thereof in that officer's official capacity, shall abate by reason of the enactment of this Act.

(5) If before the effective date of this Act any office of the Export-Import Bank of the United States, or any officer thereof in that officer's official capacity, is a party to an action, such action shall be continued with the Secretary of Commerce or other appropriate official of the Department of Commerce substituted or added as a party.

(6) Orders and actions of the Secretary of Commerce in the exercise of the functions transferred under this Act shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the President of the Export-Import Bank of the United States or head of an office thereof exercising such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, actions upon the record, or administrative review that apply to any functions transferred by this Act shall apply to the exercise of such functions by the Secretary.

INTERAGENCY COMMITTEE ON TRADE DEVELOPMENT AND FINANCE

SEC. 6. (a) ESTABLISHMENT.—There shall be established, on the effective date of this Act, an interagency coordinating committee to be known as the Interagency Committee on Trade Development and Finance (hereafter in this section referred to as the "Committee").

(b) FUNCTIONS.—The Committee shall coordinate Federal policies, programs, and activities relating to international trade development and finance, including—

(1) collection, analysis, and dissemination of market information;

(2) information on and coordination of export financing;

(3) representation of United States business interests in interactions with officials of foreign governments and international organizations;

(4) assistance in identifying joint venture partners and foreign research and development projects;

(5) counseling on foreign standards, testing, and certification requirements;

(6) trade missions and other trade events; and

(7) identification of agents and distributors.

(c) COMPOSITION.—(1) The Committee shall consist of—

(A) the Under Secretary of Commerce for Trade Development and Finance, who shall serve as Chairman;

(B) representatives of the following departments and agencies, as appointed by the heads of their respective departments or agencies:

(i) the Department of the Treasury;

(ii) The Department of Agriculture;

(iii) the Office of the United States Trade Representative;

(iv) the Office of Management and Budget;

(v) the Small Business Administration;

(vi) the Export-Import Bank of the United States;

(vii) the Agency for International Development;

(viii) the Overseas Private Investment Corporation;

(ix) the United States Information Agency; and

(x) the Trade and Development Program; and

(C) representatives of such other departments and agencies as the Chairman of the Committee shall determine.

(2) Any member of the Committee may designate an alternate, who shall serve on the Committee whenever that member is unable to attend a meeting of the Committee.

(3) A member of the Committee who represents a department or agency, and an individual designated under paragraph (2) as an alternative for any member of the Committee, shall be an individual who exercises significant decisionmaking authority in the department or agency concerned.

(d) ADMINISTRATIVE SUPPORT.—The Secretary of Commerce shall, to the extent provided by law, provide the Committee with administrative and staff services, support, and facilities as may be necessary for the effective performance of the Committee.

(e) EXPENSES.—Each member may receive actual and necessary transportation and travel expenses, including per diem in lieu of subsistence, incurred in carrying out Committee functions.

(f) Annual Meeting with President's Export Council.—A joint meeting of the Committee and the President's Export Council, as established under Executive Order numbered 12131, shall be held annually to coordinate their respective activities.

(g) TERMINATION OF TRADE PROMOTION COORDINATING COMMITTEE.—The Trade Promotion Coordinating Committee, as established by the President on May 23, 1990, shall cease to be in effect on the effective date of this Act.

EXPORT-IMPORT BANK "WAR CHEST" AUTHORIZATION

SEC. 7. (a) Authorization.—Section 15(e)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635i-3(e)(1)) is amended by inserting before the period at the end of the first sentence the following: ", and for fiscal years 1992 and 1993, $400,000,000".

(b) REPORT.—If the amounts authorized by subsection (a) are not used, the Export-Import Bank of the United States shall report to Congress annually on—

(1) the reasons behind the Bank's decision not to use these funds; and

(2) the amount of sales or bids lost because of the Bank's decision not to use these funds.

RESPONSE TO UNREASONABLE USE OF TIED AID CREDITS

SEC. 8. Section 301(d)(3)(B) of the Trade Act of 1974 (19 U.S.C. 2411(d)(3)(B)) is amended—

(1) by striking "or" at the end of clause (ii);

(2) by striking the period at the end of clause (iii) and inserting in lieu thereof", or"; and

(3) by adding at the end the following new clause:

(3) by adding at the end the following new clause:

"(iv) constitutes an unreasonable use of tied aid or partially untied aid credits to subsidize exports, as determined by the Export-Import Bank of the United States, consistent with the purposes of section 15 of the Export-Import Bank Act of 1945.".

EXPANDED USE OF BANK GUARANTEES

SEC. 9. Section 2(c)(3) of the Export-Import Bank Act of 1945 (12 U.S.C. 634(c)(3)) is amended by inserting "(A)" immediately before "With" and by adding at the end the following new subparagraphs:

"(B) For the guarantee and insurance programs covered by this subsection, the Bank shall provide up to 100 percent coverage of the interest and principal where determined necessary by the Board to ensure acceptance of Bank guarantees by United States financial institutions for any transaction involving a loan of any amount less than $10,000,000 in any export market in which the Bank is open for business.

"(C) To encourage the free transfer of such Bank obligations, the Bank may guarantee the timely payment of principal and interest on pool certificates representing ownership of part of or all of any loan or loans guaranteed by the Bank under this Act. Such certificates shall be based on a pool approved by the Bank and shall be managed by agents approved by the Bank.

"(D) The Bank shall take necessary actions to promote the sale of such pool certificates.".

CONFORMING AMENDMENTS

SEC. 10.(a) Section 2(a)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 634(a)(1)) is amended by inserting"' within the Department of Commerce's Bureau of Trade Development and Finance" immediately before the period at the end of the first sentence.

(b) Section 3(a) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(a)) is amended by striking "shall constitute" and all that follows and inserting in lieu thereof "is established as an agency within the Department of Commerce's Bureau of Trade Development and Finance.".

(c) Section 3(c)(5) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(c)95)) is amended by inserting "other than the Chairman" immediately after "The directors".

(d) Paragraph (8) of section 3(c) of the Export-Import Bank Act of 1945 (12 U.S.C. 635a(c)) is repealed.

EFFECTIVE DATE

SEC. 11. This Act and the amendments made by this Act shall take effect 180 days after the date of enactment of this Act, or on such prior date after such date of enactment as the President shall prescribe and publish in the Federal Register.

SECTION-BY-SECTION ANALYSIS OF THE EXPORT PROMOTION BILL

SECTION 1—SHORT TITLE

This section states that the short title of the bill is the "Export Promotion Bill".

SEC. 2—FINDINGS

Existing United States government efforts at export promotion programs are often criticized for a lack of direction and coordination. Federal agencies involved in export promotion have been pursuing their respective agendas with little or no coordination with each other.

The nation's economic interest would benefit by consolidating those agencies within a business-oriented department of the United States government.

Over the past decade, commercial banks have deserted export finance, particularly in financing small and medium-size borrowers. One means for stimulating the return of commercial banks to this market is to strengthen the programs of the Export Import Bank of the United States and to consolidate those programs with the marketing functions of the Department of Commerce.

SEC. 3—BUREAU OF TRADE DEVELOPMENT AND FINANCE

Establishes, within the Department of Commerce, a Bureau of Trade Development and Finance which shall include:

(1) ExIm Bank of the United States;

(2) the United States Foreign and Commercial Service; and

(3) the Assistant Secretary for Trade Development.

It provides that the Under Secretary of Commerce for Trade Development and Finance (Secretary) shall be President of the ExIm Bank.

It amends Section 2301 of the Omnibus Trade and Competitiveness Act of 1988 to require that the Commercial Service shall provide, at its district offices, such services as the Secretary determines are necessary to assist the ExIm Bank.

SEC. 4—NATIONAL ADVISORY COUNCIL

Establishes that the National Advisory Council on International Monetary and Financial Policies shall be charged by the Secretary of Commerce, instead of the Secretary of the Treasury.

SEC. 5—TRANSFER PROVISIONS

Sets forth the provisions to transfer the ExIm Bank to the Department of Commerce.

SEC. 6—INTERAGENCY COMMITTEE ON TRADE DEVELOPMENT AND FINANCE

Recognizes the need for improved coordination between the various agencies involved in export promotion. It establishes an interagency Committee on Trade Development and Finance, bringing together the various agencies involved in export finance.

SEC. 7(A)—AUTHORIZATION OF TIED AID

Reauthorizes and expands to $400,000,000 the tied aid war chest to combat tied aid practices that have caused American Businesses to lose sales as a result of these practices.

SEC. 8—RESPONSE TO UNREASONABLE USE OF TIED AID CREDITS

Amends Section 301(d)(3)B of the Trade Act of 1974. Makes use of tied aid or partially untied aid credits to subsidize exports and unfair trade practice.

SEC. 9—EXPANDED USE OF BANK GUARANTEES

Creates regional banking pools to finance exports of under $10,000,000. It creates a secondary market to encourage the free transfer of such bank obligations. It provides that the ExIm Bank may guarantee the timely payment of principal and interest on pool certificates representing ownership of part of any loan or loans guaranteed by the bank.

SEC. 10—CONFORMING AMENDMENTS

SEC. 11—EFFECTIVE DATE

Provides that amendments from this Act shall take effect 180 days after the date of enactment of this Act.

By Mr. DECONCINI:

S.J. Res. 195. Joint resolution providing that the United States should support the Armenian people to achieve freedom and independence; to the Committee on Foreign Relations.

SUPPORT FOR ARMENIAN INDEPENDENCE

• Mr. DECONCINI. Mr. President, I have just returned from cochairing a Helsinki Commission delegation trip to Vienna, where the new round of confidence and security building measures [CSBM's] talks has begun, to the Baltic States, which are celebrating the restoration of their long-sought independence, to Georgia and Armenia, and finally, to Moscow, where the delegation attended the opening session of the third meeting of the Conference on the Human Dimension of the CSCE.

We found Armenia to be a republic that is no less dedicated to its freedom and independence than the Baltic States. This ancient people has maintained its sense of nationhood through the centuries, during the course of which it has endured many disasters and horrors, especially in 1915. Today, after seven decades of stifling centralized control by the Kremlin, Armenia stands on the brink of becoming an independent state. In August 1990, a democratically elected parliament passed a declaration on transition to independence. The next step in the process will be a referendum on September 21, to which the Helsinki Commission will send observers.

Mr. President, the Armenian people have set a firm course toward becoming an independent state which promises to be a welcome addition to the growing number of democratic countries in the international community. On October 16, there will be a multiparty, multicandidate election, in which the people of Armenia will elect a President, and to which the Helsinki Commission will also send observers. Our delegation met with President TerPetrosyan, as well as with leaders of opposition parties that will field candidates. We were deeply gratified to hear all of them pledge their commitment to democratic principles and human rights. Our brief, but deeply felt, experience in Armenia left all the members of the delegation confident about the prospects of democracy in Armenia.

Mr. President, I am today introducing a resolution which expresses the sense of the Senate that Armenia's movement toward independence merits the strong support of the U.S. Govern-

ment. Congressman HOYER is introducing identical legislation in the House of Representatives.

Mr. President, I request that the full text of this resolution be printed in the RECORD following my remarks and I urge my colleagues to support it.

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

S.J. RES. 195

Whereas the Armenian people have long nurtured the spirit of freedom;

Whereas Armenia was independent from 1918–1920, until Bolshevik troops invaded Armenia and forceably incorporated it into the Soviet Union;

Whereas parliamentary elections in May 1990 ended Communist Party control of Armenia's legislature and government;

Whereas Armenia is pursuing a peaceful, legal, and democratic path to independence by holding a referendum on independence on September 21, 1991;

Whereas the September 21 referendum and the multicandidate, multiparty presidential election in Armenia which is scheduled to be held on October 16 will be observed by an international body of monitors to verify the fairness of the campaign procedures, including equal access to the media for all contenders, and of the voting and vote-counting, in order to ensure that the referendum and election are conducted in full accordance with the Copenhagen Document and the Paris Charter of the Conference on Security and Cooperation in Europe (CSCE); and

Whereas the United States Congress is increasingly concerned about the continuing human rights violations against the Armenian population within Nagorno-Karabakh and the adjacent Shaumian district, including deportations and other flagrant abuses of human rights: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Government of the United States should support the struggle of the Armenian people to achieve freedom and independence.●

By Mr. SIMON:

S.J. Res. 196. Joint resolution to designate October 1991 as "Ending Hunger Month"; to the Committee on the Judiciary.

ENDING HUNGER MONTH

● Mr. SIMON. Mr. President, I rise today to offer a joint resolution to designate the month of October 1991 as "Ending Hunger Month." I am introducing this resolution for the third year in a row because hunger remains a serious problem that affects all of us. Hunger and its cause, poverty, demand our constant attention. They never go away.

In the United States, as many as 5.5 million children go to bed hungry every night. Around the world, hunger is a part of daily life for more than a billion people. Every day, approximately 35,000 people die from acute and chronic malnutrition.

I hope that by the passage of this resolution, more will become aware of the problem of hunger in the United States and around the world.

Mr. President, I ask unanimous consent that the text of this resolution be printed in the RECORD.

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

S.J. RES. 196

Whereas hunger affects the lives of 500,000,000 to 1,000,000,000 people in the world and takes the lives of 13,000,000 to 18,000,000 people each year, 75 percent of whom are children under the age of 5 years;

Whereas although famines often gain widespread media attention and the response of the public, little attention is focused on the problem of chronic hunger;

Whereas schools and communities should conduct educational programs that lead to the development of viable methods for alleviating hunger;

Whereas there is a need to promote continuing activities that increase education and heighten public awareness about the extent of hunger, its causes, and its consequences;

Whereas a society educated about the pervasiveness of hunger is equipped to respond to the needs of hungry people around the world; and

Whereas the United Nations and the United States Congress are designating October 16, 1991, as World Food Day and have called upon all people to take appropriate actions: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That October 1991 is designated as "Ending Hunger Month". The President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate ceremonies and activities.●

ADDITIONAL COSPONSORS

S. 141

At the request of Mr. DASCHLE, the names of the Senator from Wisconsin [Mr. KASTEN] and the Senator from New Mexico [Mr. BINGAMAN] were added as cosponsors of S. 141, a bill to amend the Internal Revenue Code of 1986 to extend the solar and geothermal energy tax credits through 1996.

S. 199

At the request of Mr. GLENN, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 199, a bill to amend the Internal Revenue Code of 1986 to exclude from income the compensation received for active service as a member of the Armed Forces of the United States in a dangerous foreign area.

S. 224

At the request of Mr. MCCONNELL, the name of the Senator from West Virginia [Mr. ROCKEFELLER] was added as a cosponsor of S. 224, a bill to amend the National School Lunch Act to modify the criteria for determining whether a private organization providing nonresidential day care services is considered an institution under the child care food program, and for other purposes.

S. 463

At the request of Mr. HATFIELD, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 463, a bill to establish within the Department of Education an Office of Community Colleges.

S. 473

At the request of Mr. DECONCINI, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 473, a bill to amend the Lanham Trademark Act of 1946 to protect the service marks of professional and amateur sports organizations from misappropriation by State lotteries.

S. 474

At the request of Mr. DECONCINI, the names of the Senator from New Hampshire [Mr. RUDMAN] and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of S. 474, a bill to prohibit sports gambling under State law.

S. 493

At the request of Mr. KENNEDY, the names of the Senator from Nevada [Mr. REID], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Georgia [Mr. FOWLER], and the Senator from Arizona [Mr. MCCAIN] were added as cosponsors 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. 581

At the request of Mr. BOREN, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of S. 581, a bill to amend the Internal Revenue Code of 1986 to provide for a permanent extension of the targeted jobs credit, and for other purposes.

S. 596

At the request of Mr. MITCHELL, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 596, a bill to provide that Federal facilities meet Federal and State environmental laws and requirements and to clarify that such facilities must comply with such environmental laws and requirements.

S. 649

At the request of Mr. BREAUX, the names of the Senator from Illinois [Mr. DIXON] and the Senator from Montana [Mr. BURNS] were added as cosponsors of S. 649, a bill to amend the Internal Revenue Code of 1986 to repeal the luxury tax on boats.

S. 840

At the request of Mr. DURENBERGER, the name of the Senator from Washington [Mr. GORTON] was added as a cosponsor of S. 840, a bill to amend the Internal Revenue Code of 1986 to provide a simplified method for computing the deductions allowable to home day care providers for the business use of their homes.

S. 879

At the request of Mr. DASCHLE, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 879, a bill to amend the Internal Revenue Code of 1986 to clarify the treatment of certain amounts received by a cooperative telephone company indirectly from its members.

S. 964

At the request of Mr. MCCAIN, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 964, a bill to establish a Social Security Notch Fairness Investigatory Commission.

S. 1093

At the request of Mr. BIDEN, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1093, a bill to establish a commission to study the feasibility, effect, and implications for United States foreign policy, of instituting a radio broadcasting service to the People's Republic of China to promote the dissemination of information and ideas to that nation, with particular emphasis on developments in China itself.

S. 1257

At the request of Mr. BOREN, the names of the Senator from New Mexico [Mr. DOMENICI] and the Senator from North Dakota [Mr. CONRAD] were added as cosponsors of S. 1257, a bill to amend the Internal Revenue Code of 1986 with respect to the treatment of certain real estate activities under the limitations on losses from passive activities.

At the request of Mr. WOFFORD, his name was added as a cosponsor of S. 1257, supra.

S. 1357

At the request of Mr. BREAUX, the name of the Senator from Louisiana [Mr. JOHNSTON] was added as a cosponsor of S. 1357, a bill to amend the Internal Revenue Code of 1986 to permanently extend the treatment of certain qualified small issue bonds.

S. 1572

At the request of Mr. BREAUX, the name of the Senator from Connecticut [Mr. LIEBERMAN] was added as a cosponsor of S. 1572, a bill to amend title XVIII of the Social Security Act to eliminate the requirement that extended care services be provided not later than 30 days after a period of hospitalization of not fewer than 3 consecutive days in order to be covered under part A of the medicare program, and to expand home health services under such program.

S. 1581

At the request of Mr. ROCKEFELLER, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 1581, a bill to amend the Stevenson-Wydler Technology Innovation Act of 1980 to enhance technology transfer for works prepared under certain cooperative research and development.

SENATE JOINT RESOLUTION 166

At the request of Mrs. KASSEBAUM, the names of the Senator from Nebraska [Mr. EXON] and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of Senate Joint Resolution 166, a joint resolution designating the week of October 6 through 12, 1991, as "National Customer Service Week."

SENATE JOINT RESOLUTION 176

At the request of Mr. DIXON, the name of the Senator from Nevada [Mr. REID] was added as a cosponsor of Senate Joint Resolution 176, a joint resolution to designate March 19, 1992, as "National Women in Agriculture Day."

SENATE JOINT RESOLUTION 184

At the request of Mr. DOLE, the names of the Senator from Washington [Mr. ADAMS], the Senator from Hawaii [Mr. AKAKA], the Senator from New Jersey [Mr. BRADLEY], the Senator from Louisiana [Mr. BREAUX], the Senator from North Dakota [Mr. BURDICK], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Mississippi [Mr. COCHRAN], the Senator from North Dakota [Mr. CONRAD], the Senator from New York [Mr. D'AMATO], the Senator from Connecticut [Mr. DODD], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Utah [Mr. GARN], the Senator from Ohio [Mr. GLENN], the Senator from Texas [Mr. GRAMM], the Senator from Iowa [Mr. GRASSLEY], the Senator from Iowa [Mr. HARKIN], the Senator from Utah [Mr. HATCH], the Senator from North Carolina [Mr. HELMS], the Senator from Hawaii [Mr. INOUYE], the Senator from Vermont [Mr. JEFFORDS], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Wisconsin [Mr. KASTEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Massachusetts [Mr. KERRY], the Senator from Michigan [Mr. LEVIN], the Senator from Indiana [Mr. LUGAR], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Oregon [Mr. PACKWOOD], the Senator from Nevada [Mr. REID], the Senator from California [Mr. SEYMOUR], the Senator from Illinois [Mr. SIMON], the Senator from Alaska [Mr. STEVENS], the Senator from Idaho [Mr. SYMMS], the Senator from South Carolina [Mr. THURMOND], the Senator from Virginia [Mr. WARNER], and the Senator from Pennsylvania [Mr. WOFFORD] were added as cosponsors of Senate Joint Resolution 184, a joint resolution designating the month of November 1991, as "National Accessible Housing Month."

SENATE JOINT RESOLUTION 188

At the request of Mr. LAUTENBERG, the names of the Senator from New York [Mr. D'AMATO], the Senator from Rhode Island [Mr. PELL], and the Senator from Alaska [Mr. STEVENS] were added as cosponsors of Senate Joint Resolution 188, a joint resolution designating November 1991, as "National Red Ribbon Month."

SENATE JOINT RESOLUTION 194

At the request of Mr. GRAMM, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of Senate Joint Resolution 194, a joint resolution to designate 1992 as the "Year of the Gulf of Mexico."

SENATE RESOLUTION 166

At the request of Mr. COATS, the names of the Senator from Arizona [Mr. MCCAIN], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from New Hampshire [Mr. SMITH] were added as cosponsors of Senate Resolution 166, a resolution expressing the sense of the Senate that, in light of current economic conditions, the Federal excise taxes on gasoline and diesel fuel should not be increased.

SENATE RESOLUTION 178

At the request of Mr. KENNEDY, the names of the Senator from Arizona [Mr. DECONCINI] and the Senator from Hawaii [Mr. INOUYE] were added as cosponsors of Senate Resolution 178, a resolution expressing the sense of the Senate on Chinese political prisoners and Chinese prisons.

At the request of Mr. LUGAR, the names of the Senator from Indiana [Mr. COATS], the Senator from Illinois [Mr. DIXON], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of Senate Resolution 178, supra.

SENATE RESOLUTION 170—URGING IMMEDIATE WITHDRAWAL FROM THE UNITED STATES FACILITY AT SUBIC BAY

Mr. SIMON (for himself and Mr. REID) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 180

Whereas, the Senate of the Philippines rejected, on September 16, 1991, the Treaty of Friendship, Cooperation and Security that would have permitted the continued operation of the United States facility at Subic Bay for ten years;

Whereas, United States military facilities located in the Philippines have in the past enhanced regional security and stability;

Whereas, the United States and the Philippines have long enjoyed close, mutually beneficial relations which have been an important factor in United States policy in Asia;

Whereas, President Aquino is to be commended for her leadership and shared interest in maintaining positive, constructive relations with the United States; and

Whereas, continued good United States-Philippine relations is desirable for both our countries; Now, therefore be it

Resolved, that—

(a) it is in the best interest of the United States to abide by the decision of the Philippines Senate, and

(b) the President, in honoring the decision of the duly elected representatives of the Filipino people, should begin planning an immediate withdrawal from our naval facility at Subic Bay.

SENATE RESOLUTION 181—RELATING TO THE REPEAL OF THE EXCISE TAX ON BOATS

Mr. KASTEN (for himself, Mr. MACK, and Mr. HELMS) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 181

Whereas the luxury excise tax on boats has imposed an unfair burden on boat workers, manufacturers, and retailers;

Whereas the luxury excise tax on boats has brought the loss of up to 18,000 jobs in the boat building industry;

Whereas middle-class workers and small businesses, not the wealthy, are harmed by the tax;

Whereas the luxury excise tax on boats is costing the Government more in lost income tax receipts, additional unemployment compensation, and compliance and enforcement costs than the revenue generated by such tax on boats;

Whereas the luxury excise tax forces small business people to become tax collectors and enforcers for the Internal Revenue Service;

Whereas the luxury excise tax on boats is harming one of America's strongest domestic industries and aiding our foreign competitors; and

Whereas the luxury excise tax on boats is contributing to the depth and severity of the recession and helping ensure that economic recovery will be more difficult: Now, therefore, be it

Resolved, That the Congress should immediately adopt legislation to repeal the luxury excise tax on boats.

Mr. KASTEN. Mr. President, I rise today to introduce a sense-of-the-Senate resolution calling for repeal of the so-called luxury tax on boats. This tax is anything but a luxury for the 19,000 middle-class workers who will lose their jobs this year because of this tax.

After just 9 months, the boat excise tax is a disaster.

In addition to putting thousands of middle-class workers in the unemployment lines;

It is forcing plant closures;

It is aiding our foreign competitors by destroying one of America's finest manufacturing industries; and

It is costing the Government far more in lost tax revenue and collection costs than it will raise.

This tax must go now. Every month Congress delays more workers lose their jobs.

Due to the economic slowdown, 100,000 workers in the marine industry lost their jobs in 1989 and 1990. Ignoring this, Congress imposed a 10 percent excise tax which has been the last straw for many boat builders and retailers and has brought the additional loss of 19,000 jobs.

Wisconsin is hit hard by this tax, 2 years ago over 18,000 people in the State were employed in the marine industry, today that number is down to 15,000. Communities like Oconto, and Pulaski are hurt by the ripple effect from this tax. As boat builders lose their jobs, other businesses in town begin to suffer.

The most ironic aspect of this tax is that the Federal Government is losing millions of dollars from this tax. A report put out last month by the minority staff of the Joint Economic Committee shows a minimum net loss to the Federal Government of $15.2 million in 1991.

Using an extremely conservative job loss number, the Government will lose $8 million in income tax receipts, $8.1 million in lost payroll tax receipts, and $2.1 million in Federal unemployment payments. This compares with an initial estimate of only $3 million in revenue from the tax.

On top of all the suffering and job loss, we have a tax that doesn't even raise money for the Government.

This morning I chaired a hearing before the Small Business Committee to examine the impact of this tax on small businesses. Witnesses from both the manufacturing and retailing sectors testified to the job loss and devastation that this tax is bringing to the marine industry.

Particularly compelling was the testimony of Chet Markley, president of Local S 88 of the International Union of Shipbuilding Workers of America. Mr. Markley is one of the thousands of workers who has lost his job because of this tax. He stated clearly that the members of his union are the victims of this tax, not the wealthy.

I call upon all my colleagues to join me in repealing this devastating tax. This is one critical way we can help thousands of workers across America keep their jobs in the midst of this recession. Each week we fail to act more workers will join the unemployment lines.

AMENDMENTS SUBMITTED

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

LAUTENBERG AMENDMENT NOS. 1144 AND 1145

Mr. LAUTENBERG proposed two amendments to the bill (H.R. 2942) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1992, and for other purposes, as follows:

AMENDMENT NO. 1144

On page 85, line 13 strike "data" and insert "date".

AMENDMENT NO. 1145

On page 20, line 6 strike "$17,098,460,000" and insert "$17,092,610,000".

LAUTENBERG (AND D'AMATO) AMENDMENT NO. 1146

Mr. LAUTENBERG (for himself and Mr. D'AMATO) proposed an amendment to the bill H.R. 2942, supra; as follows:

On page 80, line 11, strike the word "drug".

GLENN AMENDMENT NO. 1147

Mr. LAUTENBERG (for Mr. GLENN) proposed an amendment to the bill H.R. 2942, supra; as follows:

On page 73, strike out lines 18 through 22.

FORD AMENDMENT NO. 1148

Mr. LAUTENBERG (for Mr. FORD) proposed an amendment to the bill H.R. 2942, supra, as follows:

At the appropriate place in the bill, insert: "*Provided further*, That funds appropriated under this heading for this or prior years are available for the Federal Aviation Administration to enter into a sole source procurement with the Regional Airport Authority of Louisville-Jefferson County, KY, to design and construct an air traffic control tower at Standiford Field, using current Federal Aviation Administration control tower specifications."

KERRY (AND OTHERS) AMENDMENT NO. 1149

Mr. KERRY (for himself, Mr. KENNEDY, and Mr. DODD) proposed an amendment to the bill H.R. 2942, supra, as follows:

On page 86, between lines 19 and 20, insert the following:

SEC. . Notwithstanding any other provision of this Act, the Volpe National Transportation Systems Center is authorized to hire up to an additional 40 other-than-fulltime equivalent positions [FTE] in fiscal year 1992.

LEAHY AMENDMENT NO. 1150

Mr. LAUTENBERG (for Mr. LEAHY) proposed an amendment to the bill H.R. 2942, supra, as follows:

At the appropriate place in the bill, insert: "Unobligated funds in the amount of $170,000 authorized and appropriated under Public Law 101-516 for a highway grade crossing demonstration project in White River Junction, VT, shall be made available to the State of Vermont Agency of Transportation without regard to whether or not such expenses are incurred in accordance with section 106 of title 23 of the United States Code.".

DOLE (AND KASSEBAUM) AMENDMENT N0. 1151

Mr. DOLE (for himself and Mrs. KASSEBAUM) proposed an amendment to the bill H.R. 2942, supra, as follows:

At the appropriate place, add the following:

Section 29 of Public Law 96-192 is hereby repealed.

Section 503 of Public Law 96-193 is hereby repealed.

GRAHAM AMENDMENT NO. 1152

Mr. GRAHAM proposed an amendment to the bill H.R. 2942, supra, as follows:

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

SEC. . Subsection (h) of section 2110 of title 46, United States Code, is amended to read as follows:

"(h)(1) There is established the 'United States Coast Guard Service Fund' (hereafter referred to in this subsection as the 'Fund') within the Treasury of the United States.

"(2) Fees and charges collected by the Secretary under this section shall be deposited in the Fund established by paragraph (1). Moneys in the Fund shall be available, in such amounts as are hereafter provided in appropriation Acts, for use by the United States Coast Guard for carrying out its mission, including search and rescue, boating safety, aids to navigation, and meeting the requirements of subsection (d).

"(3) Interest received on moneys in the Fund shall be deposited in, or credited to, the Fund and shall be available for use in the same manner, to the same extent, and for the same purposes as are the fees and charges deposited therein.

"(4) There are authorized to be appropriated from the Fund such amounts as may be necessary to carry out the provisions of this section.".

COATS (AND OTHERS) AMENDMENT NO. 1153

Mr. COATS (for himself, Mr. SIMPSON, Mr. BOND, Mr. BURNS, Mr. HELMS, Mr. WALLOP, Mr. KASTEN, Mr. GARN, Mr. SYMMS, Mr. MCCAIN, Mr. MURKOWSKI, Mr. SMITH, Mr. DOLE, Mr. D'AMATO, and Mr. SEYMOUR) proposed an amendment to the bill H.R. 2942, supra, as follows:

At the end of title III, insert:

SEC. FEDERAL GAS TAXES SHOULD NOT BE INCREASED.

(a) FINDINGS.—The Senate finds that—

(1) many sectors of the Nation's economy have yet to recover from the recent economic downturn;

(2) a tax increase would reduce personal consumption, considered to be the engine of the American economy, and an increase in gasoline and diesel fuel taxes would seriously hinder economic recovery;

(3) an increase in the Federal excise tax on motor fuels by five cents per gallon would further damage the economy in that such an increase would—

(A) increase the Consumer Price Index by 0.2 percent,

(B) imperil the current trend towards economic recovery,

(C) reduce America's potential for growth in the Gross National Product in the near term by $11 billion, and

(D) reduce urgently needed job creation by 234,000 job opportunities in the first year;

(4) Federal, State, and local taxes account for nearly 30 percent of the retail price of gasoline;

(5) all States already tax gasoline, and twenty States in the last two years have increased, or considered increasing, their taxes on gasoline; and

(6) gasoline and diesel fuel excise taxes are the most regressive forms of taxation, in that less affluent Americans must spend a greater proportion of their income to pay those taxes than do more affluent Americans.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that, in light of the current economic conditions, the Federal excise taxes on gasoline and diesel fuel should not be increased.

BURNS AMENDMENT NO. 1154

Mr. D'AMATO (for Mr. BURNS) proposed an amendment to the bill H.R. 2942, supra; as follows:

TELECOMMUTING STUDY

STUDY.—The Secretary, in consultation with the Secretary of Energy, shall conduct a study of the potential costs and benefits to the energy and transportation sectors of telecommuting. The study shall include—

(1) an estimation of the amount and type of reduction of commuting by form of transportation type and numbers of commuters;

(2) an estimation of the potential number of lives saved;

(3) an estimation of the reduction in environmental pollution, in consultation with the Environmental Protection Agency;

(4) an estimation of the amount and type of reduction of energy use and savings by form of transportation type; and

(5) an estimation of the social impact of widespread use of telecommuting.

(b) This study shall be completed no more than one hundred and eighty days after the date of enactment of this Act. A report, summarizing the results of the study, shall be transmitted to the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate no more than sixty days after completion of this study.

WALLOP (AND SIMPSON) AMENDMENT NO. 1155

Mr. D'AMATO (for Mr. WALLOP, for himself and Mr. SIMPSON) proposed an amendment to the bill H.R. 2942, supra; as follows:

At the appropriate place in the bill add the following:

Notwithstanding section 127 of title 23, United States Code, the State of Wyoming may permit the use of the National System of Interstate and Defense Highways located in Wyoming by vehicles in excess of 80,000 pounds gross weight, but meeting axle and bridge formula specifications in section 127 of title 23, United States Code, until June 30, 1992.

ROBB (AND WARNER) AMENDMENT NO. 1156

Mr. LAUTENBERG (for Mr. ROBB, for himself and Mr. WARNER) proposed an amendment to the bill H.R. 2942, supra, as follows:

At the appropriate place in the bill insert the following:

SEC. . (a) In light of recent positive changes in the Union of Soviet Socialist Republics, Congress finds that the Secretary of Defense and the Commandant of the Coast Guard should reexamine policies of the United States regarding the restricted use of certain ports of entry by ships, and crew members thereof, of the Union of Soviet Socialist Republics, including commercial cargo, passenger, fishing and fisheries support vessels. The Secretary of Defense and the Commandant of the Coast Guard shall jointly report back to Congress within 30 days following the date of the enactment of this Act regarding their examination of such policies, together with their recommendations.

(b) For purposes of this section, the term "ships" means ships owned by, under the flag of, or operated by crew members of, the Union of Soviet Socialist Republics.

LOTT AMENDMENT NO. 1157

Mr. D'AMATO (for Mr. LOTT) proposed an amendment to the bill H.R. 2942, supra, as follows:

At the appropriate place in the bill insert the following:

SEC. . For purposes of the Act of June 30, 1982 (96 Stat. 150), giving the consent of Congress to a compact relating to the establishment of a commission to study the feasibility of rapid rail transit service between certain States, the Congress authorizes the parties to such compact to change the name of such compact, including the name or names of any commission or other entity thereunder.

SMITH AMENDMENT NO. 1158

Mr. SMITH proposed an amendment to the bill H.R. 2942, supra, as follows:

Beginning on page 27, line 11, strike all through page 30, line 2, and insert the following:

For up to 80 percent of the expenses necessary for programs under the Surface Transportation Program, $387,535,000, to be provided to the State on a per centum share equal to such State's on a per centum share of all apportionments and allocations received under this title for each of the fiscal years 1987, 1988, 1989, 1990, and 1991, excluding apportionments and allocations received for the Interstate Construction, Interstate Substitute, Federal Lands Highways and Emergency Relief Programs, all apportionments and allocations received for demonstration projects, and the portion of allocations received pursuant to section 157 of title 23, United States Code, (relating to minimum allocation) that is attributable to apportionments made under the Interstate Construction and Interstate Substitute Programs in such years, except that in calculating a State's per centum share under this paragraph, each State shall be deemed to have received one-half of 1 per centum of all funds apportioned for the Interstate Construction Program for each of the fiscal years 1987, 1988, 1989, 1990, and 1991.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

PELL (AND OTHERS) AMENDMENT NO. 1160

Mr. BYRD (for Mr. PELL, for himself, Mr. CHAFEE, Mr. KENNEDY, and Mr. KERRY) proposed an amendment to the bill (H.R. 2686) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1992, and for other purposes, as follows:

On page 56 before line 10 insert the following new section:

"SEC. . Notwithstanding section 7(b) of Public Law 99-647, the Secretary may approve the extension of the Blackstone Commission on or before November 10, 1991, to accomplish the purposes of that subsection.".

WALLOP (AND OTHERS) AMENDMENT NO. 1161

Mr. BYRD (for Mr. WALLOP, for himself, Mr. GARN, Mr. JOHNSTON, Mr. SIMPSON, Mr. WIRTH, Mr. HATCH, Mr. SEYMOUR, Mr. BROWN, Mr. DOMENICI, Mr. CONRAD, Mr. CRAIG, and Mr. BING-

AMAN) proposed an amendment to the bill H.R. 2686, supra, as follows:

Provided further, That notwithstanding any other provision of law, for fiscal year 1992 and each year thereafter, the Secretary of the Interior or his designee is authorized to—

(a) enter into a cooperative agreement or agreements with any State or Indian tribe to share royalty management information, to carry out inspection, auditing, investigation or enforcement (not including the collection of royalties, civil penalties, or other payments) activities in cooperation with the Secretary, except that the Secretary shall not enter into such cooperative agreement with a State with respect to any such activities on Indian lands except with the permission of the Indian tribe involved; and

(b) upon written request of any State, to delegate to the State all or part of the authorities and responsibilities of the Secretary under the authorizing leasing statutes, leases, and regulations promulgated pursuant thereto to conduct audits, investigations, and inspections, except that the Secretary shall not undertake such a delegation with respect to any Indian lands except with permission of the Indian tribe involved, with respect to any lease authorizing exploration for or development of coal, any other solid mineral, or geothermal steam on any Federal lands or Indian lands within the State or with respect to any lease or portion of a lease subject to section 8(g) of the Outer Continental Shelf Lands Act of 1953, as amended (43 U.S.C. 1337(g)), on the same terms and conditions as those authorized for oil and gas leases under sections 202, 203, 205, and 206 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1732, 1733, 1735, and 1736) and the regulations duly promulgated with respect thereto: *Provided further*, That section 204 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1734) shall apply to leases authorizing exploration for or development of coal, any other solid mineral, or geothermal steam on any Federal lands, or to any lease or portion of a lease subject to section 8(g) of the Outer Continental Shelf Lands Act of 1953, as amended (43 U.S.C. 1337(g)): *Provided further*, That the Secretary shall compensate any State or Indian tribe for those costs which are necessary to carry out activities conducted pursuant to such cooperative agreement or delegation.

STEVENS AMENDMENT NO. 1162

Mr. BYRD (for Mr. STEVENS) proposed an amendment to the bill H.R. 2686, supra, as follows:

On page 115, line 23, add a new section as follows:

SEC. . Amend section 12(d)(2) of P.L. 94-204 (The Act of January 2, 1976) as follows: Following the first sentence of the first proviso, add the following: "Any portion of the 1,000 acres which the Secretary may determine is not needed by the Bureau of Land Management in accordance herewith shall be disposed of by the Secretary according to law,".

In the second sentence of the first proviso, following the words "public purposes" insert a period. Following the period add the following: "An area encompassing approximately sixty-two acres and depicted on the map entitled 'Native Heritage Park Proposal' and on file with the Secretary shall be managed". At the end of this section, add a new proviso: "*Provided further*, That to the extent necessary, any and all conveyance documents executed concerning the conveyance of the lands referred to in this proviso shall be deemed amended accordingly to conform to this proviso."

LEVIN (AND OTHERS) AMENDMENT NO. 1163

Mr. BYRD (for Mr. LEVIN, for himself, Mr. RIEGLE, Mr. KOHL, and Mr. KASTEN) proposed an amendment, which was subsequently modified, to the bill H.R. 2686, supra, as follows:

On page 16, line 19, strike "$950,274,000" and insert "$950,324,000".

SASSER AMENDMENT NO. 1164

Mr. BYRD (for Mr. SASSER) proposed an amendment to the bill H.R. 2686, supra, as follows:

On page 20, line 16, delete $84,750,000" and insert in lieu thereof "$84,950,000".

SANFORD AMENDMENT NO. 1165

Mr. SANFORD proposed an amendment to the bill H.R. 2686, supra, as follows:

At the end of the committee amendment insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Swain County Just Compensation Act of 1991".

SEC. 2. SETTLEMENT WITH RESPECT TO A ROAD ALONG THE NORTH SHORE OF FONTANA RESERVOIR.

(a) The Congress finds that Swain County, North Carolina, claims certain rights acquired pursuant to an agreement dated July 30, 1943, (hereafter in this section referred to as the "agreement of July 30, 1943"), between the Secretary of the Interior of the United States, the State of North Carolina, the Tennessee Valley Authority, and Swain County, North Carolina, which provided, on certain conditions, that the Department of the Interior would construct a road along the north shore of Fontana Reservoir to replace a road flooded by the construction of Fontana Dam and the filling of the reservoir, which road has not been completed.

(b) In order to settle and quiet all claims arising out of the agreement of July 30, 1943, the following provisions are made:

(1) The Secretary of the Treasury is authorized to pay to Swain County, North Carolina, the sum of $16,000,000. Such sum shall be deposited in an account (the "$16,000,000 Account") in accordance with the rules established by the North Carolina Local Government Commission. The principal of such sum may only be expended by Swain County under a resolution approved by an affirmative vote of two-thirds of the registered voters of Swain County. Interest carried on the unexpended principal of such sum may only be expended by a majority vote of the duly elected governing commission of Swain County.

(2) The governing commission of Swain County is hereby authorized to expend from the $16,000,000 Account such sums as may be necessary to retire the balance, as of the date of the enactment of this Act, of the loan (Case numbered 388756600118, Code numbered 9701) obtained on October 12, 1976, from the Farmers Home Administration.

(3) The governing commission of Swain County is also hereby authorized to expend from the $16,000,000 Account such sums as may be necessary to retire the balance, as of the date of the enactment of this Act, of the loan (Case numbered 3887566001118, Code numbered 9702) obtained on March 4, 1991, from the Farmers Home Administration.

(4) The payments provided for in this section shall constitute full and complete settlement of all claims of Swain County, North Carolina against the United States of America, the Department of the Interior, and the Tennessee Valley Authority arising out of the agreement of July 30, 1943. The United States of America, its departments and agencies, including the Department of the Interior, the National Park Service, and the Tennessee Valley Authority, hereafter shall be deemed to have performed the agreement of July 30, 1943, in every particular. No money appropriated pursuant to this Act shall be paid to or received by an agent or attorney on account of services rendered in connection with the claim settled by this subsection.

SEC. 3. All authorizations in this Act are dependent upon subsequent appropriation of funds for the purposes.

NOTICE OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. JOHNSTON. Mr. President, I would like to announce for my colleagues and the public that the oversight hearing on Rongelap atoll scheduled before the Committee on Energy and Natural Resources for September 19 has been rescheduled to begin at 9 a.m., instead of 9:30 a.m. as originally scheduled.

The hearing will take place in room SD-366 of the Dirksen Senate Office Building.

For further information, please contact Allen Stayman at (202) 224-7865.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR-301, Russell Senate Office Building, on Thursday, October 3, 1991, at 9:30 a.m., to mark up pending legislative business. At this time the agenda includes the following: S. 289, to authorize the Board of Regents of the Smithsonian Institution to plan and design an extension of the National Air and Space Museum at Washington Dulles International Airport, and for other purposes; S. 1345, to amend the National Film Preservation Act of 1988 to modify the composition and procedures of the National Film Preservation Board and the Library of Congress in preserving national films; S. 1415, to provide for additional membership on the Library of Congress Trust Fund Board; S. 1416, to provide adequate authority in the Library of Congress for the provision of fee-based library research and information products and services; S. 239, to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in the District of Columbia; and House Concurrent Resolution 172, providing for the printing of a revised edition of the booklet entitled "Our American Government" as a House document.

The committee will also consider other legislative and administrative business ready for consideration at time of markup.

For further information concerning this markup, please contact Carole Blessington of the Rules Committee staff on 224-0278.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON SECURITIES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Securities of the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate, Tuesday, September 17, 1991, at 9:30 a.m. to conduct a hearing on legislation to amend the Public Utility Holding Company Act.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, September 17, 1991, at 9 a.m. to hold a confirmation hearing on Robert M. Gates to be Director of Central Intelligence.

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

SUBCOMMITTEE ON GOVERNMENT INFORMATION AND REGULATION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Government Information and Regulation be authorized to meet on Tuesday, September 17, 1991, at 1:30 p.m. On the subject: an examination of the development of the earned income credit tax forms.

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

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Tuesday, September 17, beginning at 9:30 a.m., to conduct a hearing on S. 976, the Resource Conservation and Recovery Act Amendments of 1991—to receive testimony from Environmental Protection Agency Administrator, Bill Reilly.

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

COMMITTEE ON THE JUDICIARY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Tuesday, September 17 at 10 a.m. to hold a hearing on the nomination of Judge Clarence Thomas.

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

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet on Tuesday, September 17, 1991, at 4 p.m., in closed session, to receive a B-2 Program Review.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate, 10 a.m., September 17, 1991, to receive testimony from John Easton, nominee for General Counsel, U.S. Department of Energy.

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

SUBCOMMITTEE ON SCIENCE, TECHNOLOGY AND SPACE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Subcommittee on Science, Technology and Space, of the Committee on Commerce, Science, and Transportation, be authorized to meet during the session of the Senate on September 17, 1991, at 9 a.m. on S. 1330—the Manufacturing Strategy Act.

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

COMMITTEE ON SMALL BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Small Business Committee be authorized to meet during the session of the Senate on Tuesday, September 17, 1991, at 9:30 a.m. The committee will hold a full committee hearing to examine the impact of the 10 percent luxury excise tax on boats.

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

ADDITIONAL STATEMENTS

THE SIGNING OF NAVAJO GENERATING STATION AGREEMENT

• Mr. DECONCINI. Mr. President, I rise today to recognize and praise the owners of the Navajo Generating Station and several of the Nation's leading environmental organizations for their successful efforts to craft a landmark settlement which will resolve many of the concerns relating to the degradation of visibility at the Grand Canyon. Tomorrow at the Grand Canyon, President Bush, Secretary Lujan, EPA Administrator Reilly and members of the Arizona delegation will be participating in a signing ceremony for this historic agreement. I wanted to take a moment of the Senate's time to relate to my colleagues the significance of what will be occurring tomorrow in Arizona.

For some time, there has been considerable debate as to causes of visibility impairment at the canyon. Natural sources such as dust and forest fires, urban pollution, urban pollution from sources as far away as Los Angeles, copper smelters and emissions from the nearby Navajo Generating Station have all been cited in varying degrees as likely sources of haze at the Grand Canyon.

In February of this year, the Environmental Protection Agency issued a proposed rule to address this controversy. To improve visibility at the canyon, the EPA proposed that the Navajo Generating Station reduce its emissions by 70 percent over a 30-day annual average.

This proposal was met with dissatisfaction from several environmental groups who believed the proposal did not achieve sufficient emissions reduction. Conversely, the Navajo Generating Station participants believed the proposal's costs to its ratepayers far outweighed possible benefits to the canyon.

In the great American tradition of cooperation, members from both sides of the debate—the Salt River project which serves as the managing partner of the plant, the Grand Canyon Trust, and the environmental defense fund agreed to seek an alternative proposal.

After long and arduous negotiations, the parties announced an agreement which, I believe, protects the visibility at the Grand Canyon at a more reasonable price for Arizona ratepayers. Under the plan, the owners of the plant would reduce emissions at NGS by 90 percent over a more flexible annual average.

Special recognition should be given to the Salt River project and their new management team led by C.M. "Perk" Perkins for their ingenuity in devising a less costly means of resolving the visibility debate. Despite reasonable doubts about the extent of Navajo's emissions in the canyon haze, the Salt River project went the extra mile to protect the Grand Canyon. I thought Ed Norton, president of the Grand Canyon Trust said it best when he said:

> The Salt River project and the private owners have set a new standard for corporate responsibility and public service, and every utility in the United States should take note and measure up to that mark.

I wholeheartedly agree with this statement and ask that my colleagues join me in commending all of those who had a part to play in this agreement. The future generations who will be able to view the scenic vistas of this national treasure are the real beneficiaries of their hard work.•

BURNING THE FLAG SYMBOLIZES ONLY IGNORANCE OF ITS TRUE MEANING AND IMPORTANCE

• Mr. COATS. Mr. President, I am fortunate today to have an article written by a gentleman, honored with Indiana's highest and most respected award, the

"Sagamore of the Wabash." It speaks of an issue that summarizes the feelings of our brave veterans and many Americans.

Dr. Jack Gren is a native of the Fort Wayne area. With a background in lecturing, education and consulting, he speaks from a rich experience flying the "Hump" between India and China during the violent years of World War II. His insight, experience and emotion command an intentive ear.

I therefore ask that the following article written in the Fort Wayne News Sentinel on July 4, 1991, be printed in the CONGRESSIONAL RECORD.

The article follows:

BURNERS DON'T REALIZE FLAG'S IMPORTANCE

(By Jack Gren)

The Congress of the United States last year passed a law making the burning and desecration of the American flag a crime. The Supreme Court, however, by a narrow decision, recently ruled that desecration and burning of the American flag is a right of free expression under the First Amendment.

One wonders about the kind of people who would vilify the flag. What is their motivation? What kind of twisted thinking would prompt such behavior? Could it be that those characters are desperate for attention and find this is the only way to be in the limelight for a brief moment?

Intellectually it can be argued that burning the flag is a right of free expression. But how far and to what extreme could the right of free expression be extended? It would appear that the very individuals who scream loudest for the right of free expression fail to realize that with any "right" there is also a responsibility. And that pertains not only to flag desecration, but to other areas of life and society as well.

The flag burners say that the flag is only a symbol, therefore meaningless. How important is that symbol we call the American flag? Let me share with you an experience of some 45 years ago. As a teen-ager during WW II, I was flying the "Hump" between India and China. We were losing, on average, nine planes a week, and over 800 airmen were listed as casualties in our operation alone. It was difficult seeing the canvas body-bags that contained the dead remains of flight crew friends with whom you had shared a joke just hours earlier. It was even more difficult to see the wounded, frequently in excruciating pain.

During those trying times it was our faith in God and the symbol of the American flag that kept us going, doing those things that they said couldn't be done. But we did it.

How important is that symbol that we call the American flag? This is how important it is: Several days after Japan surrendered I was in the flight operations building when a radio message came that a C-47 was about to land with seven survivors of a Japanese prisoner-of-war camp.

It was pathetic to see those seven airmen emerge from the plane. They were emaciated to a point where they looked like walking skeletons. They looked almost grotesque, their clothes hanging from skin and bones. It seemed that the Japanese were extremely cruel to American flyers. They had been starved, beaten and tortured.

They refused help from anyone else, but they helped each other as they shuffled, stumbled and staggered from the plane to the flight operations building. As they entered the structure the first thing they saw was a large American flag hanging on the wall. To a man, as best they could in their emaciated condition, they stood at attention and saluted. They saluted for a full minute, sobbing as the tears streamed down their faces.

We all cried.

How important is the American flag as the symbol of the United States of America? That symbol helped those airmen survive, as it did millions of others in difficult, desperate situations. Those POWs, however crudely, would sketch the American flag where they were imprisoned. The guards would beat them and eradicate the drawing. The next day the flag would again appear, and again they would be beaten and the flag sketch destroyed. This went on day after day, month after month, until the Japanese guards realized the futility of their actions. That's how important the symbol of the American flag was to those imprisoned airmen. It kept them alive.

It seems quite likely that the flag controversy will escalate during the coming months, because there are both intellectual and emotional factors involved.

Clearly the overwhelming majority of Americans do not approve of or condone flag burning or desecration in any form. How, then, shall those seemingly obnoxious characters and their actions be treated? Perhaps the answer is so simple that we find it difficult to see.

Ignore them. Apparently those outrageous things are done in a desperate attempt to focus attention on themselves. Shun them. Ignore them. Do not focus any kind of media attention on any of them or their actions.

By using that approach, the intellectual integrity of the First Amendment can be maintained. It is also then quite probable that the actions of the militant, misguided minority will cease, and Americans will then have cause for celebrating the symbol of the American flag and all the traditional values it represents.●

BUDGET SCOREKEEPING REPORT

● Mr. SASSER. Mr. President, I hereby submit to the Senate the most recent budget scorekeeping report for fiscal year 1991, prepared by the Congressional Budget Office under section 308(b) of the Congressional Budget Act of 1974, as amended. This report serves as the scorekeeping report for the purposes of section 605(b) and section 311 of the Budget Act.

This report shows that current level spending is under the budget resolution by $0.4 billion in budget authority, and under the budget resolution by $0.4 billion in outlays. Current level is $1 million below the revenue target in 1991 and $6 million below the revenue target over the 5 years 1991–95.

The current estimate of the deficit for purposes of calculating the maximum deficit amount is $326.6 billion $0.4 billion below the maximum deficit amount for 1991 of $327.0 billion.

The report follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 16, 1991.

Hon. JIM SASSER,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The attached report shows the effects of Congressional action on the budget for fiscal year 1991 and is current through September 13, 1991. The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of the Budget Enforcement Act of 1990 (Title XIII of P.L. 101–508). This report is submitted under Section 308(b) and in aid of Section 311 of the Congressional Budget Act, as amended, and meets the requirements for Senate scorekeeping of Section 5 of S. Con. Res. 32, the 1986 First Concurrent Resolution on the Budget.

Since my last report, dated September 10, 1991, there has been no action that affects the current level of spending and revenues.

Sincerely,

ROBERT D. REISCHAUER,
Director.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE 102D CONG. 1ST SESS. AS OF SEPTEMBER 13, 1991

[In billions of dollars]

	Revised on-budget aggregates[1]	Current level[2]	Current level +/− aggregates
On budget:			
Budget authority	1,189.2	1,188.8	−0.4
Outlays	1,132.4	1,132.0	−0.4
Revenues:			
1991	805.4	805.4	(3)
1991–95	4,690.3	4,690.3	(3)
Maximum deficit amount	327.0	326.6	−0.4
Direct loan obligation	20.9	20.6	−0.3
Guaranteed loan commitments	107.2	106.9	−0.3
Debt subject to limit	4,145.0	3,527.8	−617.2
Off budget:			
Social Security outlays:			
1991	234.2	234.2	
1991–95	1,284.4	1,284.4	
Social Security revenues:			
1991	303.1	303.1	
1991–95	1,736.3	1,736.3	

[1] The revised budget aggregates were made by the Senate Budget Committee staff in accordance with section 13112(f) of the budget Enforcement Act of 1990 (title XIII of P.L. 101–508).

[2] Current level represents the estimated revenue and direct spending effects of all legislation that Congress has enacted or sent to the President for his approval. In addition, full-year funding estimates under current law are included for entitlement and mandatory programs requiring annual appropriations even if the appropriations have not been made. In accordance with section 606(d)(2) of the Budget Enforcement Act of 1990 (title XIII of P.L. 101–508) and in consultation with the Budget Committee, current level excludes $45.3 billion in budget authority and $34.6 billion in outlays for designated emergencies including Operation Desert Shield/Desert Storm; $0.1 billion in budget authority and $0.2 billion in outlays for debt forgiveness for Egypt and Poland; and $0.2 billion in budget authority and outlays for Internal Revenue Service funding above the June 1990 baseline level. Current level outlays include a $1.1 billion savings for the Bank Insurance Fund that the Committee attributes to the Omnibus Budget Reconciliation Act (P.L. 101–508), and revenues include the Office of Management and Budget's estimate of $3.0 billion for the Internal Revenue Service provision in the Treasury-Postal Service Appropriations Bill (P.L. 101–509). The current level of debt subject to limit reflects the latest U.S. Treasury information on public debt transactions.

[3] Less than $50 million.

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE 102D CONG. 1ST SESS. SENATE SUPPORTING DETAIL, FISCAL YEAR 1991 AS OF CLOSING OF BUSINESS SEPTEMBER 13, 1991

[In millions of dollars]

	Budget authority	Outlays	Revenues
I. Enacted in previous sessions:			
Revenues			834,910
Permanent appropriations	725,105	633,016	
Other legislation	664,057	676,371	
Offsetting receipts	−210,616	−210,616	
Total enacted in previous sessions	1,178,546	1,098,770	834,910
II. Enacted this session:			
Extending IRS deadline for Desert Storm troops (H.R. 4, Public Law 102–2)			−1
Veterans' education, employment and training amendments (H.R. 180, Public Law 102–16)	2	2	

THE CURRENT LEVEL REPORT FOR THE U.S. SENATE 102D CONG. 1ST SESS. SENATE SUPPORTING DETAIL, FISCAL YEAR 1991 AS OF CLOSING OF BUSINESS SEPTEMBER 13, 1991—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
Dire Emergency supplemental appropriations for 1991 (H.R. 1281, Public Law 102–27)	3,823	1,401	
Higher education technical amendments (H.R. 1285, Public Law 102–26)	3	3	
OMB domestic discretionary sequester	−2	−1	
Emergency supplemental for humanitarian assistance (H.R. 2251, Public Law 102–55)	(1)		
Total enacted this session	3,826	1,405	−1
III. Continuing resolution authority			
IV. Conference agreements ratified by both Houses			
V. Entitlement authority and other mandatory adjustments required to conform with current law estimates in revised on-budget aggregates	−8,572	539	
VI. Economic and technical assumption used by Committee for budget enforcement act estimates	15,000	31,300	−29,500
On-budget current level	1,188,799	1,132,014	805,409
Revised on-budget aggregates	1,189,215	1,132,396	805,410
Amount remaining:			
Over budget resolution			
Under budget resolution	416	382	1

[1] Less than $500 thousand.

Note.—Numbers may not add due to rounding.•

HISPANIC HERITAGE MONTH

• Mr. SIMON. Mr. President, I rise today to honor an important holiday for millions of Mexican-Americans in the State of Illinois and around the Nation and to mark the kick off of Hispanic Heritage Month.

In the 100th Congress, I authored legislation that gained bipartisan support to designate the period of time every year from the middle of September to the middle of October to be Hispanic Heritage Month. This time period includes many important national holidays of the people of Latin America such as the anniversary of the start of the Mexican Revolution today. Naturally, these holidays are commemorated here in the United States by people from those countries and by those whose ancestors hailed from Latin American nations. Hispanic Heritage Month ends at the Columbus Day weekend to recognize his voyage to the west.

Hispanic Heritage Month is an important time not just for people to celebrate their ethnic heritage and gather with friends and family. It provides all Americans a chance to reflect upon the many contributions Hispanics have made to the Nation's history and continue to make today. Today and tomorrow, the advisory committee to the U.S. Senate Democratic Hispanic Task Force, which I chair, will convene in Washington to discuss issues and concerns of importance to the Nation's growing Hispanic population. These issues include health care, higher education, and employment discrimination.

The Senate Democratic Hispanic Task Force, appointed by the majority leader, has 12 members. Senator BINGAMAN was the chair during the 101st Congress and continues on the task force. Senators BENTSEN, CRANSTON, DECONCINI, DODD, GRAHAM, MOYNIHAN, REID, and WIRTH continue to serve on the task force as well. This year, we have been joined by Senator KENNEDY and Senator LIEBERMAN, both of whom have large Puerto Rican populations in their home States.

Mr. President, it is unfortunate and disappointing that among the 100 Members of this body there are no Hispanics and no African-American members. The advisory committee and the task force Senators can make up for that in some part by working together and devoting time and attention to these issues as we will be doing over the next 2 days. Later on during Hispanic Heritage Month, I will be hosting a Hispanic town meeting in Chicago's 22d ward; meeting with Mexico's Consul General in Chicago; and speaking to a national meeting of Hispanic leaders to be held in Illinois in October.

Once again, Mr. President, I rise in honor of Hispanic Heritage Month and encourage my colleagues to utilize the month as an opportunity to focus on the needs, dreams and challenges of Hispanic Americans.•

ALLEGED UNFAIR PRICING PRACTICES IN THE OIL INDUSTRY

• Mr. KASTEN. Mr. President, I would like to call attention to an important issue that has been raised by the Senate Small Business Committee in a hearing held on September 11. The committee investigated the impact of the alleged unfair pricing practices by the major oil companies on small petroleum marketers, citizens of rural America and the economy in general. Critics charge that since the gulf war, the big oil companies have continued to sell petroleum at their company owned retail outlets at prices below the wholesale level. This means that the major oil companies are charging independent marketers a higher price for gasoline than they sell to the consumer at the gas pump. Clearly, this would indicate an anticompetitive spirit on the part of the big oil companies.

Mr. Willard P. Springer, treasurer-secretary of Lakeshore Oil & Tire Co., Inc., traveled all the way from Two Rivers, WI, to express his concern for the future of the small petroleum marketer. Mr. Springer gave testimony, strongly stating, the fact to be that the refinery operators have begun to control and want to continue to control the retail gasoline market.

This is just one threatening example of numerous cited at the hearing that causes my concern about the impact of the higher gasoline prices on small independently owned service stations—which, in turn, negatively affects consumers and farmers in Wisconsin's rural towns and farm communities.

According to the Petroleum Marketers Association of Wisconsin, of the 42,000 farm accounts the association services, none is supplied by a major refinery. The majors are simply not interested in servicing the less profitable rural markets. The rural communities depend on the small petroleum marketer for their fuel supply. Furthermore, as more of these independents disappear, Wisconsin's farmers and rural consumers will be forced to travel farther to get gasoline, driving up costs as well as inconvenience.

There are no easy solutions to this problem. The Federal Government should not get into the business of setting or controlling prices—a mutual feeling of the independent marketer and the major refiner alike. However, we need to examine the allegations of unfair pricing practices that are pushing the small mom-and-pop stations out of business. We must pursue workable solutions that don't hamper the free market.

I ask that the testimony of Mr. Bill Springer be included in the RECORD.

The testimony follows:

TESTIMONY OF WILLARD P. SPRINGER BEFORE THE SENATE COMMITTEE ON SMALL BUSINESS, SEPTEMBER 11, 1991

Chairman Bumpers, Senator Dixon, Senator Kasten and Members of the Committee:

Thank you for your recent invitation to give testimony regarding the unfair competition which has existed for years and continues to plague the independent petroleum marketers of America.

Our company is a petroleum marketer and tire distributor based in a city of approximately 13,000 residents located in northeastern Wisconsin. We operate nine self service gasoline outlets and also sell petroleum products on wholesale basis to another thirty retail gasoline outlets throughout our marketing area. The typical independent petroleum marketer in Wisconsin is the supplier to the farmer, along with farm co-ops, who are threatened just as we are. Members of the trade association to which our company belongs, Petroleum Marketers of Wisconsin/Wisconsin Association of Convenience Stores, serve more than 42,000 farm accounts. To our knowledge, not one refiner supplies a farm in Wisconsin.

The problem which I am here to give testimony about today is the fact that the refinery operators have begun to control and want to continue to control the retail gasoline market. Their ultimate goal, in my opinion, is that they can charge the motoring public any price they desire for gasoline. By reducing the competition provided by retail gasoline outlets such as places of business operated by our company and our independent dealer customers, the refiners hope to end up with the retail gasoline market to themselves. The major refiners' goal, in my opinion, is to eliminate independent gasoline marketers, convenience store operators and

service station dealers leaving the retail marketplace for their own major oil company operated or major oil company lessee dealer operated gasoline outlets. If successful, the major refiners will have the retail gasoline market monopolized to the point where consumers will have no choices when making gasoline purchases, thus prices will be higher to the consumer in the end. The major refiners care most about marketshare and are willing to take short term financial losses to undercut fair competition.

Over the years that I have been in this business and even prior to that, there was intense competition which was generated by thousands of small but effective and efficient operators of marketships, convenience stores and service stations. Consumers had choices no matter where they went, even in small towns. Local stations, convenience stores and other places selling gasoline at retail were often independent businesspersons despite displaying the insignia of a major brand of gasoline. This competition led to lower prices for the motoring public. Refiner direct or subsidiaries of refinery operators are changing the competitive situation all over America by charging independent petroleum marketers more than they are selling the gasoline to the public for at their own refiner-operated company stations.

The major refiners are both suppliers and competitors of the independent marketers who operate convenience stores, service stations and other retail gasoline outlets in America. A few major refiners have the ability to manipulate prices at the pump which results in the independent petroleum marketers paying more per gallon for gasoline, in 8,000 gallon transport load lots, than the motorist pays for a ten gallon fill up. What's wrong with that you may say? This temporary situation will last only as long as it takes the major refiners to drive out the competition provided by the independent petroleum refiner's convenience stores and service stations. Once having reduced or eliminated the competition, the major refiner company operated or lessee dealer outlets will be free to charge the retail customer any price they want. Then the motoring public will be the loser. The high entry costs into this business, caused in part by restrictive E.P.A. regulations, will prevent reentry by independent petroleum marketers once having been forced to close due to lack of profits by unfair competition of major refiners.

On any given day, particularly during periods of escalating prices or temporary supply interruptions, the independent petroleum marketer is often charged more per gallon for the 8,000 transport load tanker of gasoline than the price charged at the pump by the refiner company operated retail outlet! They demand electronic funds transfer payment on the 12th day following terminal lifting from the independent marketer but extend thirty day statement billing terms to the ten gallon retail buyer at their refiner company operated retail station!

One illustration of this type of situation occurred in our area about one year ago; which shows how these inverted pricing scenarios can be unfair. On August 21, 1990, my buying price from Marathon Petroleum Company for 87 octane unleaded gasoline was $1.2855, including all taxes and freight while Marathon Petroleum's Emro Marketing Company subsidiary, Speedway stations, was selling gasoline to the public at $1.219, or 6.65 cents cheaper than I could buy it from Marathon's truck loading terminal delivered to one of my retail outlets.

These major refinery operated retail gasoline dispensing facilities can be subsidized by crude production, refining, drilling, transportation and other operations while the independent petroleum marketer and his/her convenience stores and service stations must stand on their own ability to produce a profit based on the difference between their buying and selling prices and the efficiency of their operations. In the short term, it may seem that the consumer will benefit from this unfair competition, but once we are priced out of business, the marketplace will be dominated by refinery operated retail outlets with much less competition.

To alleviate this situation which I have described, I ask your favorable consideration of H.R. 2966, the Petroleum Marketing Competition Enhancement Act. This bill, if enacted, would prohibit oil refiners from charging their wholesale customers, such as independent petroleum marketers, more than they charge their direct operated stations, minus the refiners fair cost of doing business. Additionally, it enhances the laws which prohibit refiners from trying to influence the retail prices set by their dealers through such practices as coercion, intimidation or other tactics.

We do not want to deny access to the retail gasoline marketplace to refiners nor are we asking for guaranteed profit or to set minimum prices! This legislation is not meant to control prices or guarantee profit margins. I assume that the competitive marketplace will do its job . . . all we ask for is a "level playing field" which will allow the competitive market forces to determine how much gasoline and other motor fuels should cost.

By passing H.R. 2966 you will help to ensure an increased level of competition which is good for the motoring public, thereby maintaining a choice for the consumers of gasoline and other motor fuels. You will help preserve what in many cases is the only local source of gasoline and other petroleum products in many of America's smaller and rural communities. Amerca's locally owned and operated independent petroleum marketers will soon be forced out of business unless this help to preserve competition is passed. I ask for your favorable consideration of H.R. 2966 not only for those of us independent petroleum marketers who are still left operating, but for America's motorists who will be the ultimate beneficiaries.●

ANNUAL EARNINGS TEST UNFAIR TO SENIORS

● Mr. GORTON. Mr. President I would like to reiterate my commitment to repealing the unfair and onerous annual earnings test on Social Security Income.

Recently, I solicited advice from constituents in my home State of Washington on what should be done about the AET. Literally tens of thousands of my consitutents responded, almost all voiced their strong opposition to the earnings test. Even constituents who were not affected by the AET felt strongly that the test should be repealed.

In fairness, I must add that some of my constituents disagreed with the outright repeal of AET. But even among those who disagreed with the repeal of the AET, the majority did favor raising the current AET limit of $9,720 significantly.

There is no question that the law in its current form is unfair. It needs to be repealed, or, at the very least, amended. I encourage my colleagues to join me in the fight to repeal this unfair tax on America's seniors.●

UNITED STATES-ISRAELI RELATIONS

●Mr. KERREY. Mr. President, I rise today to state my strong concern over the sudden—and completely unnecessary—deterioration of relations between the administration and the State of Israel.

That deterioration has occurred over the issue of Israel's request for $10 billion in loan guarantees so it can provide housing, jobs, and other assistance to hundreds of thousands of new Jewish immigrants flooding in from the Soviet Union and elsewhere. I note at the outset that any request for foreign assistance is difficult today. And after 12 years of inaction on housing and jobs in America—two of the greatest problems millions of Americans face—it is particularly hard to convince the American people we should help a foreign country build housing and create jobs.

But this request is justified. It is assistance we would have been providing steadily over past decades if the Soviet Union had not abused the rights of its people and prevented their exodus. It is a heroic humanitarian effort that goes to the core of Israel's reason for being. And it is assistance that need not be in conflict with our domestic priorities. Although we will be guaranteeing $10 billion in loans, Israel's 100-percent track record on debt repayment suggests the cost to us is likely to be virtually zero.

There was strong support for this assistance prior to the President's surprise announcement. And now both United States-Israeli relations and support for the loan guarantees have deteriorated. To understand how serious that deterioration is, it is worth remembering where things stood before the President suddenly declared last week that we should wait 120 days before considering Israel's request for the loan guarantees.

Prior to last week, the Congress appeared ready to assist Israel's historic effort to absorb these immigrants. Prior to last week, relations among Israel and its neighbors looked rather hopeful. To this administration's credit, Syria, Jordan, and Israel had basically agreed to sit down together at a first-ever regional peace conference. There was hope a Palestinian delegation might be named acceptable to all participants. Apart from that question, the essential concerns of all sides had been met, and there was a sense we might be on the road to the kind of face-to-face discussion, and perhaps recognition, that both Israel and the

United States have eagerly pursued for decades.

That was the state of affairs during the first week in August, when I had the opportunity to travel to Israel under the auspices of the Appropriations Committee. In discussions with senior government officials, military leaders, academics, and citizens across Israel, I picked up a sense of cautious optimism—a sense that the regional conference might well happen, that it would be at least a little helpful to the cause of peace, and that it might just be the start of a long-awaited breakthrough. I shared that sense myself. And in meetings with Prime Minister Shamir, with Palestinian leaders, and with many others, I stated my strong support for the process President Bush had helped launch.

But look at things now. Suddenly, the President is in the middle of an ugly confrontational standoff with Israel's Government. Suddenly, we are told by Abba Eban and other distinguished voices that we are witnessing the worst breach in United States-Israeli relations in four decades. Suddenly, Israel's rhetoric about its settlements policy has become more strident. Suddenly, Syria is suggesting the vote on absorption aid is linked to the success of the peace process. Suddenly, the entire process appears in jeopardy.

Where did we go wrong? The blame is shared. I believe Israel's rapid construction of settlements in the West Bank has been provocative and counterproductive. When I met with Prime Minister Shamir, I told him that directly. I stressed that his settlement policy would make it more difficult for those of us backing Israel's request for loan guarantees to win support for that assistance among our colleagues and the American public. I argued that Israel should freeze its construction of settlements in the occupied territories.

Instead, the Israeli Government pushed ahead with settlement construction. And in doing so, it missed an important opportunity to build international good will and improve the prospects for Mideast peace.

But Israel's settlements policy is not the proximate cause of the new tension in the peace process and in United States-Israeli relations. The direct cause is the astounding performance of the President over the past week.

Mr. Bush's request for a delay in consideration of the loan guarantees is as baffling as it is destructive. Mr. Bush claims the delay is necessary to protect the peace process, but he has refused to elaborate why that is so. No party to the peace talks requested the delay. No Arab representative had demanded a settlements freeze as a precondition to attending the regional conference.

The President's tactics are as baffling as his rationale. Rather than use the quiet diplomatic channels he insists are so important when dealing with Chinese dictators, he chose the TV channels instead. Rather than address the settlement issue in a constructive way that preserved the momentum toward peace, he pounded his fists in anger at our only democratic ally in the Mideast and hastily threw down the veto gauntlet.

This is a level of vehemence the President never used with Arab participants in the peace process. He did not use his considerable leverage over the Saudis and Kuwaitis after the gulf war to get them to end the Arab boycott of Israel. He did not exploit Jordan's weakness after the war or Syria's need for a new superpower patron to extract their recognition of Israel.

The President's actions have been baffling, but the unfortunate impact has been predictable. His fighting words have strengthened the Israeli rightwing, given them a new rationale for resisting any negotiations, and thus made it harder for the Israeli Government to build domestic consensus for any middle ground. His new line in the sand, drawn between the United States and an ally, has invited harsher rhetoric from Syria about absorption aid. And his outburst has polarized American attitude toward Israel—an attitude that has been characterized across a half century by friendship, understanding, and a sense of common values.

I defer greatly to any President in the conduct of foreign policy. I hope the new discussions between Secretary Baker and the Israeli Government will lead us away from this breach. But I have a bad feeling about this. It is hard not to see politics at play here. It is hard not to see an old pattern repeating itself—a pattern we have seen most clearly on the civil rights bill—a pattern during this administration of shunning progress for polarization and swapping a policy that works for an issue that cuts.

It is troubling to think that Mr. Bush would hold humanitarian aid hostage to political aims. There is much more than short term political loss or gain at stake. Let us resolve not to allow this international issue to become a target for simmering domestic discontent. We must ensure that a decade of inaction on our needs at home is not converted into an invitation for isolationism.

I believe Americans support Israel's efforts to provide a homeland to the Jews who have waited so many decades to escape from the Soviet Union. I believe we should assist Israel's efforts to absorb those immigrants. I believe we should not permit that assistance to be held up by politics or petulance.

We need to bring this issue to debate as soon as possible. I am eager to take part in it. I want to make the case for the loan guarantees. I want to make the case against Israel's settlement policy. But I want that process to be a constructive one that can help break the gridlock—both within Israel and in the Mideast—not exacerbate it. For that reason, I will join with those of my colleagues who reject an unjustified delay and act to consider the loan guarantees for Israel at the earliest opportunity.●

ARREST OF GEORGI CHANTURIA IN SOVIET GEORGIA

● Mr. DECONCINI. Mr. President, I was dismayed to learn of the arrest last night of Georgi Chanturia, the head of the National Democratic Party in Georgia. This action by Georgian President Gamsakhurdia reinforces the very disturbing impression the president made on me in the two meetings I had with him during my visit to the Soviet Union last week.

In these meetings, I repeatedly raised my concern regarding the many complaints about an absence of political freedom in Georgia for those with views in opposition to the president's. But the president constantly stressed the need to restore order in Georgia even at the expense of the democratic process. I found it extremely disquieting that the president's definition of order seems to be a dictatorial one which does not tolerate dissent. I strongly believe that his refusal to allow a democratic process to go forward in Georgia is one of the causes of the increasing instability in that Republic. The president's insistence that Georgia would not embrace a democratic process until that Republic achieved its independence betrays his total lack of understanding and acceptance of what democracy means.

I reiterate what I told the Georgian President a few days ago—political plurality and freedom of expression must be fully respected now before Georgia can hope to achieve respect and credibility as a state which is democratically pursuing its independence.

The arrest of the opposition leader Chanturia, who was on his way to Moscow to meet with our new Ambassador, Robert Strauss, is a source of deep concern. This action is simply one more reason why President Gamsakhurdia is viewed with increasing alarm both within his country and by the international community at large.

In my meetings with the president, I stressed the need to observe the democratic process and all Helsinki principles if Georgia hopes to become independent and gain recognition in the international diplomatic community. Mr. President, the situation in Georgia is particularly unstable at the moment and illustrates the importance of adherence to Helsinki principles and commitments by all Republics of the former Soviet Union.●

ELEANOR EPSTEIN

• Mr. LAUTENBERG. Mr. President, I rise today to honor Eleanor Epstein and to congratulate her as she is honored by the Jewish Community Center of the Palisades on September 21, 1991.

It is most fitting that Eleanor be recognized for her contributions to the JCC. As a former president of the organization, Eleanor worked to bring the members together to strive for common goals. She is affectionally referred to as "the lady with a heart of gold." She maintains a high personal commitment to others and accepts the responsibility of becoming a role model in the Jewish community.

Mr. President, Eleanor is a woman of substance. She is actively involved because she genuinely believes in the issues she works on. When Eleanor finds a cause she supports, she lights up and is eager to approach the challenges head on. Eleanor is devoted to the Jewish community and to Israel.

I know Eleanor Epstein personally. She is a woman of character, who is devoted to the State of Israel and dedicated to the service of others. She is a respected community leader.

I join with Eleanor's friends in gathering together to recognize the important contributions she has made to the Jewish Community Center.•

REGARDING THE C-17

• Mr. D'AMATO. Mr. President, over the recess, I came into possession of a fascinating video tape, a compilation of footage apparently shot in the late 1960's and middle 1980's by Air Force cameramen, showing the C-5A or C-5B demonstrating the ability to: First, land and stop within five times its length, approximately 1,250 feet; second, land and operate on unprepared surfaces, including sand, wet soil, and snow; third, back up a grade; and fourth, turn tightly on paved surfaces of narrow width.

In describing the importance of these and other features of the C-5, Gen. Howell Estes, Jr., then commander of the Military Airlift Command, tells an offscreen interviewer that: "The C-5 will deliver its cargo to primitive airstrips well forward in the combat zone."

The desire of the Air Force and Army for a strategic airlifter able to operate on austere airfields close to the forward edge of battle is familiar to all of us, but many of my colleagues may be surprised, as I was, that the C-5 might be capable of such missions. The limitations of the C-5 and the C-141 when it comes to operations at unprepared, short runways were, I thought, the reason we are buying the C-17.

It occurred to me after watching this video tape that we either overbuilt, or failed to exploit the inherent capabilities of the C-5. For that reason, I wrote Secretary of the Air Force Rice asking the following: First, what are the original sources and circumstances of C-5 tests depicted; second, how do each of the capabilities depicted diverge from what the Air Force accepts as the current capabilities of the C-5; and third, if portrayal and capability diverge, what modifications, equipment, and training would be required at what cost to allow the C-5 to achieve the capabilities depicted?

Depending upon the Secretary's answer, this body may well wish to reconsider the C-17. If, in fact, the C-5 performs as this video tape indicates, perhaps it is time to restart the C-5 line. The C-17 is 19 months behind schedule, last Sunday's first flight notwithstanding. The program is anywhere from $300 million to $2.6 billion over budget. The Senate should consider a pause on further C-17 funding until an independent cost comparison is made between restarting C-5 production versus fixing and continuing the C-17 line. Such a study could consider the total program cost of each alternative and the relative capabilities of the two fleets, or compare the relative capabilities of two fleets under a fixed program cost cap.

We may find, as we did with the A-12, that cutting our losses makes more sense than throwing good money after bad.•

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I will momentarily propound a unanimous-consent request that would permit Senator BENTSEN time until 9 p.m. this evening to introduce an unemployment compensation extension bill that would deem the bill to have been read for the first time, and would deem the Republican leader to have objected to the request that the bill be read for the second time.

This is a routine procedure under rule XIV of the Senate which has been employed on many occasions in the past and which we wish to proceed with this evening.

The bill is not quite ready. We have two alternatives. We can either simply sit here and wait until it is ready, for some indefinite period of time, up to 2 hours, or we can simply exercise the same rights to do so under a unanimous-consent request which would permit us to complete action and to leave for the evening.

Since the latter seems to be the more sensible course under the circumstances, I have discussed this with the distinguished Republican leader, because, of course, it would be he who would object to the bill being read for the second time. And I wish to, prior to making the request, ask if such a procedure is agreeable to the distinguished Republican leader under the circumstances which exists.

Mr. DOLE. If the majority leader will yield, I think it is a reasonable request and the only three who would be waiting here until 9 o'clock would be the two leaders, the Presiding Officer, and a lot of staff people. By this, I think, nobody gives up any rights. I think it is an appropriate request. I have no objection.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Accordingly, Mr. President, I ask unanimous consent that Senator BENTSEN have until 9 p.m. this evening to introduce an unemployment compensation extension bill, that the bill be deemed to have been read for the first time, and that the Republican leader be deemed to have objected to the request that the bill be read for the second time.

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

EXECUTIVE SESSION

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session and that the Committee on Commerce, Science and Transportation be discharged from the following nominations: John W. Lockwood and Norman T. Saunders for appointment to the grade of rear admiral, lower half, in the Coast Guard.

I further ask unanimous consent that the Senate proceed to their immediate consideration, and that the nominees be confirmed en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

U.S. COAST GUARD

John W. Lockwood and Norman T. Saunders, for appointment to the grade of rear admiral (lower half) in the Coast Guard.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

ORDERS FOR TOMORROW

Mr. MITCHELL. Mr. President, I now ask unanimous consent that when the Senate adjourns today, it stand in adjournment until 10:45 a.m. on Wednesday, September 18; that on Wednesday, following the prayer, the Journal of the proceedings be deemed to have been approved to date; that the call of the calendar be waived, and no motions or resolutions come over under the rule; that the morning hour be deemed

to have expired; that the time for the two leaders be reserved for their use later in the day; and that there then a period for morning business, not to extend beyond 11 a.m. with Senator GORE permitted to speak for up to 15 minutes; that at 11 a.m. the Senate resume consideration of H.R. 2686, the Interior appropriations bill.

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

ADJOURNMENT UNTIL TOMORROW AT 10:45 A.M.

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate today, and I see no other Senator seeking recognition, I now ask unanimous consent that the Senate stand adjourned as under the previous order.

There being no objection, the Senate at 7:10 p.m. adjourned until 10:45 a.m., Wednesday, September 18, 1991.

NOMINATIONS

Executive nominations received by the Senate September 17, 1991:

DEPARTMENT OF STATE

STEVEN E. STEINER, OF MARYLAND, A CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF MINISTER-COUNSELOR, FOR THE RANK OF AMBASSADOR DURING HIS TENURE OF SERVICE AS THE U.S. REPRESENTATIVE TO THE START JOINT COMPLIANCE AND INSPECTION COMMISSION.

PEACE CORPS

ELAINE L. CHAO, OF CALIFORNIA, TO BE DIRECTOR OF THE PEACE CORPS, VICE PAUL D. COVERDELL, RESIGNED.

U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY

THE FOLLOWING NAMED PERSONS TO BE MEMBERS OF THE UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY:

WILLIAM HYBL, OF COLORADO, FOR A TERM EXPIRING JULY 1, 1994. (REAPPOINTMENT)

WALTER R. ROBERTS, OF THE DISTRICT OF COLUMBIA, FOR A TERM EXPIRING APRIL 6, 1994, VICE LOUIS B. SUSMAN, TERM EXPIRED.

PEACE CORPS NATIONAL ADVISORY COUNCIL

THE FOLLOWING NAMED PERSONS TO BE MEMBERS OF THE PEACE CORPS NATIONAL ADVISORY COUNCIL:

RICHARD N. BOND, OF NEW YORK, FOR A TERM EXPIRING OCTOBER 6, 1992, VICE SUE WAGNER.

TOM G. KESSINGER, OF PENNSYLVANIA, FOR A TERM EXPIRING OCTOBER 6, 1993. (REAPPOINTMENT)

BOARD FOR INTERNATIONAL BROADCASTING

THE FOLLOWING NAMED PERSONS TO BE MEMBERS OF THE BOARD FOR INTERNATIONAL BROADCASTING:

PENN KEMBLE, OF THE DISTRICT OF COLUMBIA, FOR A TERM EXPIRING APRIL 28, 1992, VICE BEN J. WATTENBERG, RESIGNED.

DANIEL A. MICA, OF FLORIDA, FOR A TERM EXPIRING APRIL 28, 1993, VICE JAMES ALBERT MICHENER, TERM EXPIRED.

CHERYL FELDMAN HALPERN, OF NEW JERSEY, FOR A TERM EXPIRING APRIL 28, 1994. (REAPPOINTMENT)

COMMUNICATIONS SATELLITE CORPORATION

RUDY BOSCHWITZ, OF MINNESOTA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMUNICATIONS SATELLITE CORPORATION UNTIL THE DATE OF THE ANNUAL MEETING OF THE CORPORATION IN 1994, VICE THOMAS C. GRISCOM, TERM EXPIRED.

U.S. INSTITUTE OF PEACE

CHESTER A. CROCKER, OF THE DISTRICT OF COLUMBIA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE U.S. INSTITUTE OF PEACE FOR A TERM EXPIRING JANUARY 19, 1995, VICE SIDNEY LOVETT, TERM EXPIRED.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

BARBARA J. H. TAYLOR, OF MARYLAND, TO BE A MEMBER OF THE NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE FOR A TERM EXPIRING JULY 19, 1995. (REAPPOINTMENT)

NATIONAL COUNCIL ON DISABILITY

ANTHONY HURLBUTT FLACK, OF CONNECTICUT, TO BE A MEMBER OF THE NATIONAL COUNCIL ON DISABILITY FOR A TERM EXPIRING SEPTEMBER 17, 1994. (REAPPOINTMENT)

COMMISSION ON NATIONAL AND COMMUNITY SERVICE

JOHNNIE M. SMITH, OF SOUTH CAROLINA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMISSION ON NATIONAL AND COMMUNITY SERVICE FOR A TERM OF 1 YEAR. (NEW POSITION)

CONFIRMATIONS

Executive nomination confirmed by the Senate September 17, 1991:

IN THE COAST GUARD

THE FOLLOWING OFFICERS OF THE U.S. COAST GUARD FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (LOWER HALF):

JOHN W. LOCKWOOD NORMAN T. SAUNDERS

EXTENSIONS OF REMARKS

STOP THE SEXUAL VIOLATION OF CHILDREN

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mrs. SCHROEDER. Mr. Speaker, on September 15, the Select Committee on Children, Youth, and Families held a hearing on child abuse and neglect in conjunction with the Ninth Annual Conference on Child Abuse and Neglect, in Denver, CO.

Marilyn Van Derbur Atler, a former Miss America, described the childhood terror she endured as a victim of incest, and the years of emotional turmoil and devastation that have lasted well into her adulthood. Earlier this year, she made her victimization a matter of public record and shared her story with the Select Committee. I can't overstate her courage and contribution to lifting the veils of secrecy about child sexual abuse.

I would like to share her testimony with my colleagues and urge all of us to emulate her courage and act to prevent the tragedy of abuse once and for all.

STATEMENT BY MARILYN VAN DERBUR ATLER

My name is Marilyn Van Derbur Atler. I was an incest victim from age 5 to age 18. I am now a 54-year-old incest survivor. Every day and night of my life have been dramatically impacted by incest.

It would not be possible to know or understand me unless you knew about the sexual violations I endured as a child/teen. Many people would call it "child abuse." I find those words misleading and understated. I call it what it is—child rape! By legal definition, I was raped as a child from age 5 to age 18. To say I was "abused" as a child is to demean and diminish the experiences I have endured.

I have been asked to write about my experiences and address prevention and treatment and how I view a child's options in the 1990's vs. when I was a child in the 1940's.

In order to stop the sexual violations of children, we need to know that it is happening. Children have to tell us. It would be rare, indeed, for any other family member to tell.

But children don't tell because they don't perceive there is anyone who will believe them, or because they know no one will stand up to their violator, or because they are terrorized. Usually, as in my case, because of all three reasons.

I wasn't afraid of my father, I was terrified of him. One time, when I was about 4, my father was beating my 10 year old, oldest sister, Gwen. My mother cried out, "Van, you're going to kill her." I'm sure I believed my mother . . . that he was going to kill her.

At about the same ages, one of us took a flashlight apart. When he found out and no one would admit it, he began knocking our heads together—cracking them together until a sister cried out, "I did it, Daddy." When he left, she sobbed to mother, "I didn't do it but I knew he wouldn't stop hitting us until one of us admitted to it." (I am the youngest of four daughters)

When I was 7, Gwen was 13 and ready to start 9th grade. Because she was defiant, he sent her away to a Catholic boarding school in Kansas City. I learned only recently that he would then take her to the Meulbach Hotel for weekends.

When my father died, in 1984, and my sister and I returned to the home we grew up in, I asked Gwen. "Did he hit us often?" (At that time, I had very few memories of my childhood.) She said, "There was a stick above every door." And she turned and pointed to the ledge above the doorframe. The blood drained from her face. She said, "Oh, my God, it's still there." And she stretched and lifted down a 2 ft. to 3 ft. wooden dowel that he used to hit us.

I learned as a very small child that if you defy, you get beaten and sent away. I was so terrorized that by age 5 or 6, I split into a daychild and a nightchild so that only my nightchild would have to endure being pried open and violated. Although my daychild was also terrified, she lived in a happy and carefree world that she made up in her head. It is not unusual for a survivor who has "dissociated" to explain dissociation by saying she learned how to take her head off of her body.

Until I was 24, my daychild had no conscious knowledge of my nightchild.

Children don't tell because they are threatened, beaten, terrorized, traumatized. That's why children don't tell!

Most children know that if they do tell, they will not be believed. Are they justified in believing that?

I was 48 years old when I told my mother. She said, "I don't believe you. It's in your fantasy." If she wouldn't believe me—an adult—with my father dead, what chance would I have had that she would have believed me with him alive and powerful and intimidating and in charge?

In 1985, my mother was forced to believe me only when my sister came forward to validate my 13 years of incest, with her 10 years of incest. Without my oldest sister validating me, I would have been labeled "mentally unstable." "Suffering from childhood fantasies."

Most children are terrified of what the consequences will be if they tell. Was I justified in feeling terror? I only spoke to my father about it once. I was 40 years old and I had been hospitalized for the better part of three months with paralysis. I didn't know, at that time, that the paralysis was being caused by memories starting to come up. The traumatic memories coming up and my subconscious terror of facing them, put my body into paralysis.

While in the hospital, I had a recurring daydream of him in a casket and me standing over him saying, "Too late. Too late. You died and we never spoke of it." I knew that, when I was able, I would have to speak with him about it.

When I asked to talk with him privately and he knew why I was there, he excused himself and went upstairs to his room. I knew he had a gun in his pocket. After talking with him, he pulled out the gun and said, "If you had come in any other way, I would have killed myself." I understood "any other way" to mean—if you had come to expose me.

If I had told a teacher who told social services who told the police who came over to take my father in for questioning, would that have been the best thing for me? There is no question in my mind that I would have had even more severe consequences if I had told than I did by remaining silent. My life was traumatized by incest but, in my opinion, I would have been institutionalized or he or I—or both of us—would have died.

If you think those are bizzare comments, you have never lived in an incest family. Terror reigns. Not fear. Terror.

The nights were so frightening to me that still, at age 54, after hundreds and hundreds of hours of therapy, I am still unable to fall asleep. Sleep is too dangerous a state. Sleep is when a man can do anything to you that he wants and you have no power.

Years of hypnosis, acupuncture, acupressure, hypnotherapy, rolfing, deep massage, sessions with psychologists, psychiatrists—nothing can ease the deep seated terror I had as a child—the terror of the night.

If I *had ever* told, I guarantee you, I would have run back to the lawyer or the judge and said "I lied. I lied. I made it up. It isn't true." So frightened would I have been of my father and so unprotected would I have been by my mother.

I know a little girl who did tell. In Denver. Three years ago. I will always be in awe of her courage.

She was 8. I have known her all her life. Two years ago, she took a cassette to school and asked her teacher to listen to it. The next day the little girl waited but the teacher had forgotten. She forgot the next day, too. Finally, on the third day, she turned the cassette on and heard a child screaming and screaming and screaming. The child, "Sandy" had recorded the screams of her younger sister being beaten.

The cassette was given to the principal who gave it to social services. The five children were picked up immediately after school. The father was picked up when he returned from work. Within a few hours, the children were released to their father and mother. When her mother saw Sandy, she said, "Look what you have done to our family." That was in October. The hearing was set for July. The charges were dropped.

Did telling save her? Did the system protect her? Do I want you to know her real name so that you can be sure the system works for her? No. I don't want the system to traumatize her again. She will never speak up again. Well meaning adults revictimized her. She knows her parents have all the power and there is no one to help her or hear her.

I'm not saying that there aren't dedicated people who are devoting their lives to making things different for children. Child advocates, social services workers, school counselors . . . I know there are dedicated people. It's just that no matter what choices a child is given, almost always, she remains the victim.

The charges are dropped and she is left in the home with her parents and is more terrorized than before.

Or she is picked up and taken away from her brothers and sisters, her parents, her neighborhood, her school, her friends, her pets—everything, and she is placed in a home with people she knows nothing about—people we hope will be kind and loving to her.

Or the father is found guilty and sent to jail. The mother and other family members then turn to the child and say "Look what you have done to our family. We are shamed. We have no income. Look what you have done."

I'm sure there are other scenarios but no matter what happens, if the child speaks up, and the authorities are brought in—which our laws require, the child has devastated the family. The child is to blame.

It would be the rare mother, indeed, who would say "Oh, I'm so grateful you came forward." I'm sure those mothers exist but I haven't met them. An incest family is a dysfunctional family.

Would society have believed me as a child? Let me give you an indication by telling you what happened only three days after my story became public on May 9, 1991. I was back on the front page of the paper again because my oldest sister, Gwen, came forward to say that she was an incest victim from age 8 to age 18.

When my husband and I were jogging around the track later that morning, a woman stopped me and said, "Thank you for what you are doing. And I'm so glad your sister came forward this morning. It was so important." I asked, "Why?" She said, "Because yesterday on one of our most popular radio talk shows, they were talking about you and a man called in and said, "Why should we believe her?' Now people will have to believe you!"

I was too stunned to respond. For thirty years, I have been one of the outstanding women in our State. I had excelled in athletics, academics, and in my 30 year career.

If they weren't going to believe ME, at age 53, who, dear God, would believe a CHILD? Who would believe a child whose father was one of the pillars of the community? A man who had been so outstanding and honored that his obituary was on the front page of the paper?

As disheartening as it is for me to state, for me, in my family, I believe nothing would be different if I were a child today than it was for me in the 1940's.

If I believe the outlook is bleak for children, then, what can we do?

Dr. Richard Krugman, Chairperson of the U.S. Advisory Board on Child Abuse and Neglect has stated many times that "we have a national emergency." I know that is true. But I believe we can't expect a national outcry until America understands the pervasiveness of the problem and the extent of the damage that occurs when a child is sexually violated.

This means that adults need to pour forth by the millions—literally, by the millions and talk about the long terms effects . . . how sexual violations age 5 or 7 or 15 have affected every aspect of their lives . . . for decades.

As long as society keeps asking these questions, we KNOW they do not understand.

"Why didn't you tell?"

"Why can't you get on with your life. It happened so long ago?"

"What do you mean, you can't remember. It either happened or it didn't happen."

But adults will not begin to pour forth until they believe it is SAFE. Until they know they will be believed and not judged.

I believed if I came forward, my life, as I knew it, would be over. I would be able to talk to other survivors but my 30 year career would be ended and I would be looked at with disgust and disdain.

The fact that society can't understand why I believed that for 53 years, only underscores how little is understood about what happens to a mind and a soul when a young body is invaded and violated . . . when her soul is murdered. Our belief systems are shattered. We learn that we are dirty, ugly, unacceptable, unlovable, and guilty.

How long does this belief system last?

This week I received a letter from a woman 71 years old. It is typical of the belief system of an incest survivor. She wrote:

"I am a widow now after 46 years of marriage. I never told my husband. I never thought he would understand and it sure did affect me. Everytime my husband got close to me, I'd get flashbacks. I was too ashamed and embarrassed to speak to him about my feelings."

How long do we hold in our secrets? Too long. A women 73, read my story in her local newspaper in Santa Barbara, California. She wrote:

"I picked up the phone and told my best friend. It was the first time I had ever told anyone. I sobbed all day. Tonight, I have never felt so emotionally exhausted or as peaceful."

Do we, the victims, feel guilty and shamed? When my youth minister uncovered my secret when I was 24, he insisted that I tell the boy I had loved with all my heart since I was 15. I believed he would never want to see me again.

When I told my precious 13 year old daughter, I believed she would never want me to be her mother anymore.

I carry the pain and the shame.

A woman from Iowa wrote: "I have read and re-read the article about you in people Magazine. Every time I read it I cry. Like you, I had no memory of my "night child" until I was 50 years old. And I still can't tell anyone because even though I know better, "It's all my fault." The secrecy that is built into incest is so hard to overcome. Why should I protect that dreadful abuser? But I do. Secrecy is so ingrained in me that when I bought the people Magazine. I hid it and showed it only to my therapist. When I discovered a page was missing from the xerox I had made for myself, I made a copy at the public library but hid the cover of the magazine and waited until there were no other people at the xerox machine. I felt as furtive and defensive as if I gone to xerox a pornographic magazine . . ."

The secret of incest is held too long within our bodies and our souls. The almost 2,000 letters I have received these past weeks from incest survivors, tell me that most—I would estimate over 90% have never reported the sexual violations. What is even more shocking is that most have never even told their own families!

A woman in Boston wrote: "I am 45 years old and have been in therapy for 6 years. I still have not told any of my family.

If 73 and 71 and 45 year old women still cannot speak of it, can we expect a child still living with the violator to speak of it? We cannot turn to the children and ask them to speak if we haven't role modeled for them over and over and over again.

And until society understands the lifetime of pain that can be caused by one or two sexual violations or 10 to 15 years of violations, will society KNOW that the sexual violations of children must stop!

The first way to make major changes, in my view, is to make it safer and more acceptable for survivors to come forward and tell their stories.

As a woman in San Francisco wrote: "We are watching you and we are stunned at the responses you have been getting."

I believe she is "stunned" because other survivors who have come forward were judged harshly. Betsy Petersen, an incest survivor, has just published her autobiography entitled "Dancing with Daddy." It was reviewed on August 4, 1991 in the Los Angeles Times Book Review section. The review states:

"Somehow I imagine that the experience of reading "Dancing with Daddy" is like watching open heart surgery on a stranger. It pushes the boundaries of comprehension—all the while, you can't help but feel that what you've witnessed is too personal to be made public. Petersen certainly isn't the first, nor, sadly will she be the last, to write an account of childhood sexual abuse. . . The awkward question is what this revealing memoir means for the rest of us. Was Petersen's rage so deep that only an exorcism in front of an audience would purge it?"

But when Jill Ireland wrote of her battle with breast cancer, a book reviewer wrote that it was a "stirring personal testimony."

Too often, an incest survivor is accused, not respected by sharing her lifetime of pain so that society might understand what society definitely and absolutely does not understand—how a life can be devastated by even one sexual assault as a child.

As we begin coming forward one by one, others are watching to see if we are accepted or condemned. I will be forever grateful that the Denver media was sensitive and compassionate as my story unfolded. But a close friend of mine said, "Why did you want to destroy your father's reputation? You should have done it anonymously." Other survivors are met with "Your poor mother. This must have been devastating for her." The victim is blamed.

We cannot expect children to speak up until adults have had the courage to speak up and make the path easier and safer for them.

Another reason why we must educate America is so that perpetrators can never, never use any excuse to invade a child. "I wanted to teach her." or "She enjoyed it." Or as my father said to me "If I had known what it would do to you, I never would have done it." I was 40 years old when he said that to me. It was the only time we ever spoke of it. Let no violator ever take comfort in that vicious excuse. Let no 76-year-old man or 15-year-old boy ever again be able to say "I didn't know what harm it would do."

We must educate every man, woman and child about the long term effects of the sexual violations of children. And state clearly and concisely why a child must never be violated.

How do we do this? The same way we started to change the drinking and driving habits of Americans—with slogans and facts. "Don't Drink and Drive." "Buckle up". "Use a designated driver." Education was done in the schools, thru print media and thru public service announcements.

I believe public service announcements are the most powerful way to communicate with the largest and most diverse socio and economic groups. We need to drive home slogans like "Never violate a child. Please. Never violate a child." And we need to hear how survivor's lives were devastated by childhood sexual violations.

Public Announcements:

My name is Becky Smith. I was 9 when my brother sexually violated me. He was 15. By the time I was a teenager, I had gained 50 lbs., tried to kill myself three times and finally dropped out of school. Never violate a child. Please. Never violate a child.

My name is Marilyn Van Derbur Atler. My father sexually violated me from age 5 to age 18. One of the long term effects is that I have never fallen asleep. I either lie awake all night or I take a sleeping medication. Even with a sleeping medication, I had night terrors until I was 51. Never violate a child. Please. Never violate a child.

My name is John Raymond. My cousin sexually violated me when I was a child. I was 45 before I could tell anyone. I wish I had had the courage to talk about it years ago. If you have been violated, join with other survivors as we role model for children who will be violated this very night. We need to begin breaking the silence. We're not alone anymore. The time has come for us to stand up and speak our names—one by one. Let's make the children's path easier than ours has been. Let's do it for the children.

My name is Marilyn Van Derbur Atler. My father sexually violated me as a child. He knew I would never tell. He was wrong.

These public service announcements will:

1. Help society understand how a violation at age 8 can cause a suicide attempt at age 48 . . . how flashbacks at age 54 can be a result of an assault at age 14.

2. Let incest survivors know that they are not alone and that it is finally OK to speak about it. And encourage survivors to rise above the shame and humiliation they have lived with as they see others speak of the incest or rape without shame.

A woman in California wrote:

"I began therapy when I was 47 after being diagnosed with an ulcer and suffering with migraines for years along with being hooked on Darvon for pain. After about a year in therapy, to my horror, I discovered incest. My greatest fear was that my husband would abandon me if he learned the truth about me. This year (at age 49) I finally got the courage to talk to my husband and he hasn't abandoned me."

If two magazine articles and a few television interviews have brought forth so many hundreds of survivors saying they have been given hope, they feel less shame, they feel more courageous about breaking their silence, they were given the courage to begin therapy * * * if limited exposure can bring forth these actions, these dramatic changes, imagine what public service announcements would do.

Most survivors cannot afford the years of therapy needed to cope with sexual abuse. PSA's can bring about major changes just by educating their families and friends as to why they are so overwhelmed with intense pain—just having people understand, can make a major difference in their lives. PSA's can tell their violators what they are not able to say, "What you did to me as a child has traumatized my entire life."

If I had known that my father was watching the same TV show I was and that he had seen a PSA telling him how violently he had murdered my soul, it would have done what 50 sessions with a psychiatrist could not have done. Confront my father with the truth! Forcing him to see what he had done to too many lives. There is incredible healing in that for an incest victim.

3. Make perpetrators think twice before they quietly turn the doorknob to enter a child's room and body.

4. Let violators know that they must get help today or suffer dire consequences tomorrow. We are no longer going to allow secrets to protect them. And that even though they terrorize a child tonight, someday, that child will speak their name. The most important sentence that was written to me was by a woman who began her letter by saying, "Oh, Marilyn, perpetrators are not sleeping as peacefully tonight because of you!"

5. Finally, we need to let the children know they are in our hearts.

Public Service Announcement:

My name is Julie Jameison. I was sexually violated by my grandfather from age 8 to age 14. If you are a child being violated by a brother, cousin, grandfather—yes, even mother, I want you to know that I, and other survivors, are finally finding the courage to talk about incest. We know what it's like to feel alone and scared. I'm sorry if this is happening to you. As we gather our strength, we will try to find better ways to protect you. We will try to stop adults from hurting you. You are not alone anymore.

Hundreds of letters poured in from survivors after my story was in People Magazine saying "I sent your article to my family members so they could finally understand what I have been going through."

The most important phone call I received was from a woman who said, "I confronted my father some years ago. He hasn't spoken to me since then. He picked up the People Magazine article, read it, and then picked up the phone and said, "Let's talk!"

We must sell the American public vividly and relentlessly before we can stem the tide of the sexual violations of children.

PSA's would educate legislators, judges, attorneys about the long term effects. Sentences would be "stiffer" just as they became "stiffer" when MADD began demanding that drunk drivers be held accountable for their actions.

And they would begin to understand that it is normal for children who have been sexually violated at young ages to not remember—to "dissociate"—to repress, as I did, all conscious knowledge of childhood trauma's for years.

My repressed feeling and memories began coming up when I was 39. Of the almost 2,000 letters I have received, most survivors are between the ages of 35 and 50 when their childhood pain begins to bubble up. And once the "recovery" process begins, it is rare that the memories can be pushed down again. The bubbles turn into a gushing up—a vomiting up of overwhelming despair. Most of us go thru years of pain so devastating that, many days, we think we cannot survive.

A 37 year old woman from Louisiana wrote:

"I am a victim of sexual abuse by my father . . . Until 2 years ago, it was something I would not allow myself to think about much less talk about. From then until this day, it's like a demon that chases my being day and night. The horrors of what happened seem to be taking control of me. I feel myself changing so fast I can't keep up and I'm scared. I feel so alone.

I feel as if I don't have a heart or a soul . . . The only person I've ever told is my sister. He did it to her, too. She's an alcoholic and a drug user. She's a good person but that's her way of dealing with it. Suicide has been a constant thing on my mind. The love I have for my 10-year-old son keeps me from it but eventually, I'm afraid even that won't be enough to stop me."

She is in recovery. Every aspect of her life is affected—her ability to mother, to keep a job, her marriage relationship, her relationship to everyone in her life.

We can give this woman as much support as she would receive in months of therapy if we had public service announcements educating society.

I spent months anguishing because my family and friends just couldn't understand why what happened to me when I was 9 was shutting my life down when I was 49. Their inability to understand only increased my despair.

The PSA's will do more to support children, validate survivors, intimidate and stop perpetrators, and educate the general public than anything else that can be done. It is only one part to the educational process, but, in my view, the most critical part.

And only when Society is convinced that this is a national emergency . . . a national epidemic, will we begin to turn the tide of rampant sexual child assaults.

And, lastly, we need to rewrite one of the Ten Commandments. It should read, "Honor your children and they, in turn, will honor you."

SALUTE TO BROWARD COUNTY OPERATION HOMEFRONT

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. SMITH of Florida. Mr. Speaker, it gives me great pleasure to extend my heartfelt thanks to you the organizers of Operation Homefront of Broward County, FL.

On August 23, 1990, several families with loved ones being sent to the Persian Gulf met for the first time to share their concerns and fears. Lisa and Bill Strachan, and Lorraine Chapman founded Broward County's Operation Homefront. The Strachans' son Billy, and Ms. Chapmans' son, David Martin were among the first troops dispatched to Operation Desert Shield. From the first meetings, the group bonded together and began an extended family which would last beyond the end of the gulf war. As members of Operation Homefront grew, they were able to move from the Second Presbyterian Church in Ft. Lauderdale to a storefront facility which became headquarters for information and guidance. The church provided them with the use of their computers and anything else they needed. Operation Homefront members worked tirelessly for weeks as the community banded together to fill hundreds of shoeboxes with needed items to be sent to the Gulf for the holidays for Operation Shoebox.

My office helped to provide Operation Homefront families with a unique source of communication. With the help of the local USO and equipment donated by Montgomery Ward, more than 20 families were able to videotape messages to their loved ones in the gulf. Operation Homefront of Broward County was so successful that in March of this year I asked other Members to encourage families in their districts to start a similar organization. My office also provided information to other service families who wanted to start an Operation Homefront organization in their area.

As family members were reunited with their loved ones and the gulf war came to a conclusion, Operation Homefront began to wind down. In a September 9, 1991 editorial the

Miami Herald spoke for the people of Broward County by saying thank you to hard working and dedicated members and organizers of Broward County's Operation Homefront.

[From the Miami Herald, Sept. 9, 1991]

SALUTE OPERATION HOMEFRONT

Almost but not quite. Broward's Operation Homefront is just about out of business. Perhaps before the end of the year, the very last Broward soldier in the fold of this grassroots support group will be home.

That will be a big relief. Operation Homefront could have celebrated the recent closing of its offices with a last hurrah this week with the return of Army Specialist Stephen Long of Hollywood. But then Army E-5 Richard G. Smith of Fort Lauderdale was sent back to Iraq after a stint away.

The drawn-out closing of Operation Homefront reflects the drawn-out mopping up of any military operation. Those who cracked champagne in April knew that the announcement of a withdrawal was only the beginning of the end, not the end. The willingness of Homefront's families to keep the faith and keep up the big welcomes at the airport in the ensuing months is typical of the group's spirit.

Spirit was the hallmark for these families and other volunteers. They came together last August as Operation Desert Shield began calling their loved ones to the desert. There wasn't any shooting at first, but there was concern and anxiety among families. Few of them had expected their service member to see hostilities. After all, it had been a time of the dissolving of Walls, Iron Curtains, and other barriers between humanity.

As Shield became Storm, Homefront's storefront offices in Lauderdale Lakes and Weston became hubs of activity, coffee, CNN, and shared worries. They were Mission Control for the community, offering support to families, serving as a filter for information and rumor, coordinating efforts of civic groups and business to help families, and helping direct the mail and shoe-box gifts for the troops.

As with hurricanes and other natural disasters, this emergency brought out the best in many people. Many made the time to provide comfort. Many others wanted to find a way, some way, to help or to share.

When Operation Homefront does welcome home its last soldier, its members will give him a big hurrah. And these unsung heroes themselves will deserve one in return.

RECOGNITION OF FLUSHING MANOR SCHOOL

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. SCHEUER. Mr. Speaker, today I rise to praise and recognize P.S. 184—Flushing Manor School of Space Sciences.

There, children will explore the economic, environmental, scientific and social implications of Space Sciences and discoveries for the 21st-century citizen.

The theme of Space Sciences encompasses both oceanography and aerospace. Children will investigate theme topics through classroom and field experiences. Topics that will be explored include topography, weather, ecology, geography, career awareness, marine biology, navigation, aerodynamics, history of aerospace, and colonization and exploration of space.

Classroom instruction will be conducted by both subject area specialists and classroom teachers. Instruction will employ the most up-to-date technology including computer, laser disc programs, video microscopy, and other sophisticated pieces of equipment. Special instruction, which is conducted by two trained teacher specialist, will be enriched in the regular classroom by the homeroom teachers. The theme of Space Sciences will be interwoven throughout the basic curriculum areas.

The children at Public School 184 have begun this exciting study as a result of being a theme school. Some of the educational experiences already enjoyed by the students at the school include trips to: the New York Aquarium, John F. Kennedy Airport, the Hayden Planetarium, Long Island Science Museum, Vanderbilt Mansion and Planetarium, Alley Pond Environmental Center, Hall of Science, South Street Seaport, the Intrepid, and a scheduled three-hour sail on the Voyage—a two-masted schooner. In addition, the children have participated in Star Lab and in workshops aboard the Intrepid. Students from grades five and six are members of the Young Astronauts Council and are participating in the Bank Street College Program, "Voyage of Mimi."

Linkage with Beach Channel High School, Aviation High School, NASA, and with the Marine Environmental Studies Center at Stony Brook University are in the planning stage.

An important component of this magnet school will be the extended day program, which is starting this spring. Enrichment courses will be conducted before and after school. Children will be able to select a series of minicourses related to their theme. Extended day courses being offered this year include ecology, space, drama, art, and computer mini-courses related to the theme of Space Science.

Through the efforts of such schools as P.S. 184, this country will continue to provide this country with the scientists' needed to keep our country competitive in the years to comess.

THE NEEDS OF THE UNEMPLOYED REPRESENT A TRUE EMERGENCY

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. COYNE. Mr. Speaker, the time has come to send a clear message to the administration: The House of Representatives refuses to ignore the needs of working men and women who have exhausted their unemployment benefits.

I believe that American working men and women have a right to expect help from their Government when they lose their job through no fault of their own. They have a right to expect that Congress will act to repair the faults in the current unemployment compensation system. These faults have allowed millions of out of work Americans to fall through the cracks when they exhaust their unemployment benefits.

Recently, the Congress acted to address the true emergency encountered by Americans who face a loss of unemployment benefits and hard choices on how to feed their children and pay their rent or mortgages. Unfortunately, the bill passed was flawed because it allowed President Bush to sign an unemployment compensation bill with one hand, but take back the promised relief with another.

When Congress passed unemployment compensation reform, the President was asked to interrupt his August vacation and declare that the needs of over 8.5 million unemployed Americans represented a domestic emergency which warranted new spending. Regrettably, the President refused to release the funds needed to assist the over 2 million unemployed Americans who have exhausted their benefits.

On three separate occasions, the administration and Congress have recognized emergencies overseas that justified new spending. If we can respond to the plight of the Kurds and disasters in Bangladesh, how can we possibly ignore the suffering of our own citizens who have exhausted their unemployment benefits? How can the administration claim that the needs of the unemployed represent less of an emergency than the needs of those in distant lands?

The House now has an opportunity to correct the flaws in the earlier unemployment compensation reform bill. This new bill declares that an economic emergency exists which warrants the release of funds for extension of expired unemployment benefits. If the President signs this bill, as I hope he will, the release of funds will be automatic.

Still, the procedure will mean that the $6.5 billion in desperately needed additional unemployment compensation funds will be financed through Federal borrowing. It does not have to happen this way. The House can accept the amendment offered by Ways and Means Committee Chairman DAN ROSTENKOWSKI. This amendment would adjust the unemployment tax rate paid by an employer on an employee's wages to provide the needed additional funds if the President does not declare a budget emergency.

Mr. ROSTENKOWSKI'S amendment would lower the unemployment tax rate paid by an employer on a worker's wages from the current 0.8 percent to 0.2 percent by 1996, while extending the taxable wage base from the current $7,000 to a level equivalent to the Social Security wage base, projected to be $58,000 by 1993. In addition, this amendment would decouple the connection between Federal and State unemployment tax rates, so that there would be no increase in State unemployment taxes.

I support the pay-as-you-go principle. The Rostenkowski amendment provides the administration with the means to pay for extension of unemployment benefits. Still, I am not willing to sacrifice the basic needs of American families because of an inability of elected officials to reconcile their differences over budget priorities. My first priority is to serve the working men and women of our country who must provide for their families regardless of the debate taking place in Washington. If the House

fails to support the Rostenkowski amendment, I will vote for the declaration of a budget emergency to provide the extension of unemployment compensation benefits.

Every Member of the House wants to see an economic recovery but the fact remains that joblessness continues to be a major problem for millions of Americans. Across the United States, unemployment remains unacceptably high.

Furthermore, in many areas, the unemployment rate is growing, not declining. In the Commonwealth of Pennsylvania, the rate rose from 6.8 percent in June to 7 percent in July. Nearly half a million Pennsylvanians are out of work, with many at risk of falling through the safety net which unemployment compensation is supposed to offer.

I urge my colleagues to pass this bill. I sincerely hope President Bush will remember the families of the unemployed when he is asked to sign this new measure into law. The time has come to match words of compassion for the unemployed with concrete action.

COAST GUARD HEROISM AT SEA

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. PALLONE. Mr. Speaker, I would like to share with the Members of this House a story of real life heroism that took place earlier this year in the waters off the coast of New Jersey and New York.

On March 9, 1991, Denis Lovgren, captain of *F.V. Leah* out of the Point Pleasant, NJ, Fishermen's Dock Cooperative was seriously injured while fishing 90 miles offshore. Weather conditions were extremely dangerous, with 25-mile-per-hour winds and 5- to 10-foot seas. A Coast Guard helicopter based at Floyd Bennett Field in Brooklyn, NY, arrived at the scene and performed life saving rescue.

The Coast Guard crew members who were involved in this rescue were the female pilot, Lt. Sidonie Bosin, the copilot, Lt. Salvatore Palmeri, and crew members AD–1 Richard Schultz and ASM–3 Joseph Beyer. After the Floyd Bennett Station received a call for medical evacuation, the helicopter was dispatched to the scene. ASM–3 Beyer, a rescue swimmer, jumped into the heavy seas and swam to the boat, ascertained Mr. Lovgren's condition and hoisted him aboard the helicopter. The helicopter then flew to Brookhaven Memorial Hospital on Long Island, NY. Mr. Lovgren was later transferred to St. Barnabas Hospital in Livingston, NJ, where he remained for 30 days.

On Saturday, September 21, at the New Jersey Commercial Fishermen's Association's annual picnic in Brick Township, NJ, these Coast Guard crew members will be honored for their efforts to make the waters off our coasts safe for all who use them. These valiant individuals deserve the highest praise and commendation for their efforts, and praise should also be extended to their commanding officer, Commander Jay Rao. Although they would undoubtedly say they were just doing their jobs, in this case doing their jobs proved to be in form of inspiring heroism.

IN PRAISE OF MIMI SILBERT

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mrs. BOXER. Mr. Speaker, I rise today to pay tribute to Mimi Silbert. It is a great pleasure to recognize the achievements of this extraordinarily dynamic woman. I could not begin to adequately reflect upon her prodigious accomplishments.

I congratulate her on being honored by America's Awards at the John F. Kennedy Center for Performing Arts in Washington, DC at the end of September. She is one of America's unsung heroines. She truly personifies the American character and spirit.

Ms. Silbert is cofounder and chief executive officer of one of the most successful drug treatment programs in the Nation. Delancey Street Foundation was so successful that the U.S. Department of Justice considers it a model for Federal rehabilitation programs.

Ms. Silbert's unswerving devotion to Delancey Street is exemplified in many ways. She is a mother, mentor, boss, and counselor to 850 former felons, substance abusers, and the homeless who want to build a new life. At no cost to the taxpayer or client, she presides over programs that teach residents to teach each other how to live drug-free and become a valued member of society.

Because of Ms. Silbert, Delancey Street has maintained its high level of self-sufficiency and profitability. It has such thriving enterprises as a moving company, stained glass, woodworking, and catering businesses. These concerns are all run by the residents.

The most recent example of Ms. Silbert's determination is the completion of Delancey Street's new home in San Francisco, CA. This magnificent structure was described by Pulitzer Prize winning columnist Alan Temko as a "masterpiece of social design." Over 250 residents learned to build this magnificent symbol of self-reliance, commitment, and plain hard work.

Mimi Silbert embodies the spirit of Delancey Street. She is the ultimate role model. She is one of mine.

Mr. Speaker, it is my privilege to honor my good friend Mimi Silbert for all her unselfish contributions to our society.

WAR ON DRUGS RUINS LAW-ABIDING CITIZENS

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. JACOBS. Mr. Speaker, I suppose if the law put all of us—everyone in prison, we could be sure to get the drug dealers.

The desire to do something about a problem should not lead to the willingness to try anything.

Looks as though some repealing and amending are in order.

[From the Indianapolis Star, Aug. 11, 1991]

"WAR ON DRUGS" RUINS LAW-ABIDING CITIZENS

(By Andrew Schneider and Mary Pat Flaherty)

Police in the United States can take your cash. Or your car. Or your home.

You don't have to be guilty of a crime, or even be charged with one.

Under the government's seizure law your cash and belongings are theirs if: You fit a vague description of a drug runner, which is heavily weighted against minorities; or have cash tainted by drugs, which is true of almost all U.S. currency; or have property used in the commission of a crime, even if you weren't involved.

To try to get it back, you'll have to hire an attorney and sue the federal government in federal court to prove you're innocent. Plan to spend some time; cases usually takes months, or years. And there's no guarantee you'll win.

Willie Jones, a second-generation nursery man in his family's Nashville. Tenn., business, bundles up money from last year's profits and heads off to buy flowers and shrubs in Houston. He makes this trip twice a year using cash, which the small growers prefer.

But this time, as he waits at the American Airlines gate in Nashville Metro Airport, he's flanked by two police officers who escort him into a small office, search him and seize the $9,600 he's carrying.

A ticket agent had alerted the officers that a large black man had paid for his ticket in bills, unusual these days. Because of the cash, and the fact that he fit a "profile" of what drug dealers supposedly look like, they believed he was buying or selling drugs.

He's free to go, he's told. But they keep his money—his livelihood—and give him a receipt in its place.

No evidence of wrongdoing was ever produced. No charges were ever filed. As far as anyone knows, Willie Jones neither uses drugs nor buys or sells them. He is a gardening contractor who bought an airplane ticket. Who lost his hard-earned money to the cops. And can't get it back.

Last October, a dozen deputies and tax agents walked into the Irwin, Idaho, home of Robert and Bonita Brewer with a search warrant. An informant had said Brewer ran a major marijuana operation.

They found eight marijuana plants in the basement under a grow light and a half-pound of marijuana. The Brewers were charged with two felony narcotics counts and two charges for failing to buy state tax stamps for the drugs.

Robert Brewer is 61 and his wife is 44. They're both retired from the postal service. He is dying of prostate cancer and uses marijuana to ease the pain and nausea that comes from radiation treatments.

"I didn't like the idea of the marijuana, but it was the only thing that controlled his pain," Bonita Brewer says.

The government seized the couple's 5-year-old Ford van that allowed him to lie down during his twice-a-month trips for cancer treatment at a Salt Lake City hospital, 270 miles away.

Now they must go by car.

"That's a long painful ride for him. His testicles would sometimes swell up . . . and he had to lie down because of the pain. He needed that van, and the government took it," Bonita Brewer says.

Jones and the Brewer family are among the thousands of Americans each year victimized by the federal seizure law—a law meant to curb drugs by causing financial hardship to dealers.

INNOCENCE DOESN'T MATTER

A 10-month study by The Pittsburgh Press shows that 80 percent of the people who lost property to the federal government were never charged. And most of the seized items weren't the luxurious playthings of drug barons but modest homes and simple cars and hard-earned savings of ordinary people.

Those goods generated $2 billion for the police departments that took them.

The owners' only crime in many of these cases: They "looked" like drug dealers. They were black, Hispanic or flashily dressed.

Others have been connected to a crime by circumstances beyond their control.

Says Eric Sterling, who helped write the law a decade ago as a lawyer on a congressional committee: "The innocent-until-proven-guilty concept is gone out the window."

Rooted in English common law, forfeiture has surfaced just twice in the United States since colonial times.

In 1862, Congress permitted the president to seize estates of Confederate soldiers. Then, in 1970, it resurrected forfeiture for the civil war on drugs with the passage of racketeering laws that targeted the assets of convicted criminals.

CONGRESS WIDENED LAW

In 1984, however, the nature of the law was radically changed to let the government take possessions without first charging, let alone convicting, the owner. That was done in an effort to make it easier to strike at the heart of the major drug dealers. Cops knew drug dealers consider prison time an inevitable cost of doing business. It rarely deters them. Profits and playthings, though, are their passions. Losing them hurts.

And there was a bonus in the law: The proceeds would flow back to law enforcement to finance more investigations. It was to be the ultimate poetic justice, with criminals financing their own undoing.

Because money and property are at stake instead of life and liberty, the constitutional safeguards in criminal proceedings do not apply.

The result is that "jury trials can be refused; illegal searches condoned; rules of evidence ignored," says Louisville, Ky., defense lawyer Donald Heavrin. The "frenzied quest for cash," he says is "destroying the judicial system.

Every crime package passed since 1984 has expanded the uses of forfeiture, and now there are more than 100 statutes in place at the state and federal level. Not just for drug cases anymore, forfeiture covers the likes of money laundering fraud, gambling, importing tainted meats and carrying intoxicants onto Indian land.

TARGETING THE LITTLE GUY

The White House, Justice Department and Drug Enforcement Administration say they've made the most of the expanded law in getting the big-time criminals, and they boast of seizing mansions, planes and millions in cash. But a 10-month study was able to document 510 current cases that involved innocent people—or those possessing a very small amount of drugs—who lost their possessions.

And the DEA's own data base contradicts the official line. It showed that big-ticket items—valued at more than $50,000—were only 17 percent of the total 25,297 items seized by the DEA during the 18 months that ended in December.

"If you want to use that 'war on drugs' analogy, then forfeiture is like giving the troops permission to loot," says Thomas Lorenzi, president-elect of the Louisiana Association of Criminal Defense Lawyers.

The near-obsession with forfeiture continues without any proof that it curbs drug crime—its original target.

"The reality is, it's very difficult to tell what the impact of drug seizure and forfeiture is," says Stanley Morris, deputy director of the federal drug czar's office.

BONANZA FOR POLICE

George Terwilliger III, associate deputy attorney general in charge of the U.S. Justice Department's program, emphasizes that forfeiture does fight crime, and "we're not at all apologetic about the fact that we do benefit (financially) from it."

Forfeiture pads the smallest towns' coffers. In Lenexa, Kan., a Kansas City suburb of 29,000, "we've got about $250,000 moving in court right now," says narcotics Detective Don Crohn.

Despite the huge amounts flowing to police departments, there are few public accounting procedures. Police who get a cut of the federal forfeiture funds must sign a form saying merely they will use it for "law enforcement purposes."

To Philadelphia police, that meant new air conditioning. In Warren County, NJ, it meant use of a forfeited yellow Corvette for the chief assistant prosecutor.

LIFE SAVINGS SEIZED

Ethel Hylton of New York City has yet to regain her financial independence after losing $39,110 in a search nearly three years ago in Hobby Airport in Houston.

Shortly after she arrived from New York, a Houston officer and DEA agent stopped the 46-year-old woman in the baggage area and told her she was under arrest because a drug dog had scratched at her luggage. The dog wasn't with them, and when Hylton asked to see it, the officers refused to bring it out.

The agents searched her bags and ordered a strip search of Hylton but found no contraband.

In her purse, they found the cash Hylton carried because she planned to buy a house to escape the New York winters that exacerbated her diabetes. It was the settlement from an insurance claim and her life's savings, gathered through more than 20 years of work as a hotel housekeeper and hospital night janitor.

The police seized all but $10 of the cash and sent Hylton on her way, keeping the money because of its alleged drug connection. But they never charged her with a crime.

All of what she claimed checked out as true: her jobs, her bank statements and her claim she had $18,000 from an insurance settlement. Also, no criminal record for her was found in New York City.

With the mix of outrage and resignation voiced by other victims of searches, she says; "The money they took was mine. I'm allowed to have it. I earned it."

Hylton became a U.S. citizen six years ago. She asks, "Why did they stop me? Is it because I'm black or because I'm Jamaican?"

Probably, both—although Houston police haven't said.

MINORITIES PAY PRICE

Drug teams interviewed in dozens of airports, train stations and bus terminals and along major highways repeatedly said they didn't stop travelers based on race. But an examination of 121 travelers' cases in which police found no illegal drugs, made no arrest, but seized money anyway, showed that 77 percent of the people stopped were black, Hispanic or Asian.

The Justice Department's Terwilliger says that in some cases "dumb judgment" may occasionally create problems, but he believes there is an adequate solution. "That's why we have courts."

But the notion that courts are a safeguard for citizens wrongly accused "is way off," says Thomas Kerner, a forfeiture lawyer in Boston. "Compared to forfeiture, David and Goliath was a fair fight."

The government need only show probable cause for a seizure, a standard no greater than what is needed to get a search warrant. The lower standard means the government can take a home without any more evidence than it normally needs to take a look inside.

Clients who challenge the government, says attorney Edward Hinson of Charlotte, N.C., "have the choice of fighting the full resources of the U.S. Treasury or caving in."

AL CAPONE TACTICS

Barry Kolin caved in.

On March 2, Kolin watched Portland, Ore., police padlock the doors of Harvey's, his bar and restaurant, and arrest his brother and bartender, Mike, for bookmaking.

Nothing in the police documents mentioned Barry Kolin, and so the 40-year-old was stunned when authorities took his business, saying they believed he knew about the betting. He denied it.

Amy Holmes Hehn, the Multnomah County deputy district attorney, concedes she didn't have the evidence to press a criminal case against Barry Kolin, "so we seized the business civilly."

During a recess in a hearing on the seizure weeks later, "the deputy DA says if I paid them $30,000 I could open up again," Kolin recalls. When the deal dropped to $10,000, Kolin took it.

Kolin's lawyer, Jenny Cooke, calls the seizure "extortion." She says: "There is no difference between what the police did to Barry Kolin or what Al Capone did in Chicago when he walked in and said, "This is a nice little bar and it's mine." The only difference is today they call this civil forfeiture."

HOSPITAL MERGERS

HON. DOUG BARNARD, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. BARNARD. Mr. Speaker, I want to share with my colleagues the attached article which appeared in the August 26, 1991 edition of HealthWeek News. The article makes the point that the Federal Trade Commission's position on hospital mergers causes problems in rural settings.

Mr. Speaker, in the community in which I live and which I represent, Augusta, GA, two of the leading hospitals—University Hospital and St. Joseph's—attempted to merge in order to save money by consolidating services and avoiding duplication. The FTC challenged the merger, and the parties agreed to revoke it, because it would have cost too much to fight. Now, however, University Hospital in Augusta is being forced to sign a consent decree with the FTC, in order to settle, which will put University Hospital in a worse position than it was before any attempt to merge with another hospital.

Notwithstanding the disposition of the University Hospital case, I believe that the role of the FTC regarding hospital mergers should be closely examined from a public policy viewpoint. I agree with our colleague, JIM SLAT-

TERY, who wrote to the chairman of the House Judiciary Committee:

Many hospitals find themselves in a double bind. Current Medicare and Medicaid payment policies have put hospitals under increasing financial pressure to consolidate their operations. At the same time, FTC and [Justice] appear to be intensifying their scrutiny of hospital mergers.

Moreover, as the attached article makes abundantly clear, the law is presently biased against rural hospitals. If University and St. Joseph's Hospitals had been located in a large metropolitan area, it is unlikely that the FTC would have challenged the merger.

I commend the article to my colleagues, and I suggest that they explore the issues raised in the Augusta case and in other cases of attempted rural hospital mergers. I suggest we support legislation introduced by our colleague, JIM SLATTERY, chairman of the House Rural Health Care Coalition's task force on hospitals, to exempt certain hospital mergers in smaller markets from FTC and Department of Justice scrutiny.

[From HealthWeek News, Aug. 26, 1991]

FTC STANCE FRUSTRATES RURAL MERGERS

(By Craig Havighurst)

WASHINGTON.—Life isn't getting any easier for small-market hospitals under pressure to merge.

Earlier this month, the Federal Trade Commission overrode its own administrative law judge's dismissal of an FTC challenge to a 1988 hospital merger in Ukiah, Calif. That action, along with recent appellate court rulings on mergers in Rockford, Ill., and Augusta, Ga., institutionalizes a standard for proposed mergers that many hospital attorneys feel is unreasonable and perverse.

Both Ukiah Valley Medical Center, which was formed by the merger, and FTC have viewed their dispute as a test case of FTC's authority over non-profit hospitals.

At issue is whether FTC can apply the Clayton Act to these hospitals. Some health lawyers argue that the Clayton standard of anti-competitive behavior is stricter than the Sherman Act, which prohibits restraint of trade, price fixing and onerous monopolies.

Bill Kopit, a partner with Epstein, Becker & Green in Washington, said that under Clayton, an effective government challenge need only show that a proposed merger will produce an "increase in concentration" in the market. That puts the burden of proof on hospitals to show that a deal won't harm consumers, he said, an expensive and complicated process that has a chilling effect on deals.

"In most markets outside of big cities," said Kopit, "the number of hospitals is small enough that any merger would be presumptively illegal" under the Clayton Act. The new FTC authority, he said, "puts an enormous crimp in [hospitals'] ability to consolidate," even when that might be the best thing for a community.

FTC said the appellate courts have settled the question of its authority once and for all. "The case law just hasn't been clear before," said Erika Wodinsky, assistant regional director for FTC's San Francisco office, "but it is now absolutely clear that we have jurisdiction."

The tough stance comes at a time when small hospitals are losing business and feeling unprecedented pressure to merge. Some charge FTC with myopic pursuit of competition for competition's sake.

"If you make it tough for small hospitals to merge, you are dooming them to high costs and extinction," said Thomas Campbell of Gardner, Carton and Douglas in Chicago, who represents the merged Ukiah hospitals.

Robert Van Hook, executive director of the National Rural Health Association agreed. "If you've got two hospitals in a small town that don't want to deal with 20 percent occupancies, they should be encouraged to merge, not discouraged," he said. "FTC is going to get in the way of what works in rural areas."

FTC denies that it is applying a new standard or being more aggressive than in the past. "It may be perceived as such by the private sector," said Mark Horoschak, head of FTC's health care division, "but we haven't changed our analysis one iota."

Still, no merger by nonprofit hospitals had been challenged successfully until the Rockford case in 1989, which was pursued by the Department of Justice. The department shares antitrust responsibilities with FTC.

In addition, FTC tried to stop the Ukiah deal without warning on the eve of its closing, and in spite of the fact that the dollar value was smaller than the amount that mandates a pre-merger filing with the federal government.

"Hospitals are becoming increasingly frustrated," said a spokeswoman for Rep. Jim Slattery, D-Kan. "The biggest complaint is they can't get through the initial stages of a routine review without overburdensome expense and requests for massive amounts of paperwork. The threat of a suit is just as stifling as an actual suit."

Rep. Jim Slattery, D-Kan., chairman of the House Rural Health Care Coalition's task force on hospitals, has introduced legislation to exempt certain hospital mergers in smaller markets from FTC and Department of Justice scrutiny.

In a letter to the chairman of the House Judiciary Committee, Slattery wrote: "Many hospitals find themselves in a double bind. Current Medicare and Medicaid payment policies have put hospitals under increasing financial pressure to consolidate their operations. At the same time, FTC and [Justice] appear to be intensifying their scrutiny of hospital mergers."

Campbell said Ukiah Valley Medical Center has not decided whether to continue to fight FTC on jurisdictional grounds or simply challenge the agency's case on its merits. In the three years since the merger, he said, "the consumer has gotten a better deal. The efficiencies we forecast from this are happening."

The elimination of duplicate services and avoidance of a costly "arms race" among high-tech facilities has been an important pro-merger argument.

However, FTC's Horoschak said, "To those who say there is unnecessary duplication of services, that's really not for them to say. That's for the market to determine."

Kopit said FTC and Justice Department efforts "are well-intentioned, but from a public policy perspective, they are likely to produce the wrong outcome."

HISPANIC HERITAGE MONTH

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. DELLUMS. Mr. Speaker, we are presented with a unique opportunity this month that we would be remiss in overlooking. I am referring to the celebration of National Hispanic Heritage Month.

Hispanics comprise a significant portion of the American population and in fact, are the fastest growing segment of the population. It is, therefore, in the best interests of this country to promote an understanding of the diverse cultures and customs that comprise what we call the Hispanic community. The Hispanic community has expanded to include not only the traditional immigrant groups of Mexicans, Puerto Ricans, and Cubans, but myriad people from many countries of South and Central America. These immigrants often come from quite different experiences and can encounter very different situations. The El Salvadoran immigrants, for example, have encountered unique problems relating to their immigrant status that others have not.

National Hispanic Heritage Month—September 15 to October 15 can highlight these differences and also the similarities in the problems that face this growing community. The crisis in education in this country is particularly acute in the Hispanic community. Hispanics have a higher high school dropout rate than any other segment of the population. Nearly one in two Hispanics will not complete high school and half of Hispanic dropouts have not completed the ninth grade. New immigrants, many of which are already educated in their native countries, face growing waiting lists for English classes due to cutbacks in federally promised funds in the form of State legalization impact assistance grants. Others face discrimination when applying for jobs due to the employer sanctions provisions of the Immigration Reform and Control Act of 1986. Many of us here in Congress opposed this law because we felt that it would cause discrimination. Study after study now confirm our fears. The General Accounting Office concluded that employer sanctions were doing irreparable damage to hard-won rights to equal employment opportunities. Yet this law remains in effect.

National Hispanic Heritage Month also provides those of us who are not of Hispanic descent the unique opportunity to become acquainted with these cultures and experience customs firsthand that we might not otherwise. We can join our Hispanic brothers and sisters in the celebration of their culture, listen to their music, and enjoy their native cuisine. It is my hope that the experience can spark the beginnings of an understanding of these cultures and peoples that might result in dialogs between them and Federal, State, and local governments. It is imperative that we, as Representatives of the American people, do all we can to stop the increasing feeling of disenfranchisement of this community that has manifested itself in violent situations in many cities around the country. We must work toward race relations that promote understanding and cooperative spirit. National Hispanic Heritage Month can be used as a steppingstone in this endeavor.

A SALUTE TO DR. MORTON TERRY

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. SMITH of Florida. Mr. Speaker, it gives me great pleasure to extend my heartfelt congratulations to Dr. Morton Terry, president and one of the founders of Southeastern University of the Health Sciences. On October 4, 1991, Southeastern University will name a building after Dr. Terry. "Terry Building" will serve as the university's headquarters with the administration offices of the College of Osteopathic Medicine and the College of Optometry. There will also be a clinic center housed in the building.

Southeastern College of Osteopathic Medicine [SECOM] was established and chartered by the State of Florida in 1979 and recognized by the American Osteopathic Association in 1981. Opening with a class of 40 students, SECOM became the 15th college of osteopathic medicine in the Nation. Currently the incoming classes exceed 100 students. Over the years, SECOM's board of governors recognized a need to expand its curriculum and in 1987 opened the College of Pharmacy and in 1989 the College of Optometry. In 9 years SECOM has grown from a college of osteopathic medicine to the $20 million campus which is known as the Southeastern University of the Health Sciences.

Mort Terry was born in Utica, NY, on March 23, 1921. In 1942 he received a B.A. degree from Brooklyn College in New York and went on to get a D.O. and M.Sc. degree from the Philadelphia College of Osteopathic Medicine in Pennsylvania. Dr. Terry is licensed in the States of New York, New Jersey, Pennsylvania, California, and Florida. He is affiliated with many associations and has received a long list of awards including the Distinguished Service Award from the American College of Osteopathic Internists, Who's Who in Florida, Honorary Life Member of the Dade County, State of Florida, and the American Osteopathic Associations, the Leadership Award from the Florida Chapter of the Brooklyn College of Pharmacy and this past year he received the Lambda Omicron Gamma Osteopathic Leadership Award.

Dr. Morton Terry is highly respected and admired by the medical profession not only in south Florida, but also around the country. He has dedicated himself to furthering the osteopathic profession and making it possible for others to follow in his steps.

Dr. Terry has devoted a great deal of time to the deliverance of medical services to the underserved. For these and his many other accomplishments, I ask that my colleagues join me in saluting Dr. Morton Terry and Southeasten University of the Health Sciences.

HONORING RABBI BRIAN LURIE, EXECUTIVE DIRECTOR OF THE JEWISH COMMUNITY FEDERATION

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mrs. BOXER. Mr. Speaker, I would like to recognize a very special individual, Rabbi Brian Lurie, executive director of the Jewish Community Federation of San Francisco, the Peninsula, Marin, and Sonoma Counties. Rabbi Lurie has accepted the position of chief executive officer of the United Jewish Appeals in New York City.

Rabbi Lurie was born in Shaker Heights, OH. He attended Lafayette College in Easton, PA, where he earned a bachelor of arts in religion in 1964, Hebrew Union College, and Hebrew University in Jerusalem in 1966–67, where he immersed himself in Jewish Studies and archeology.

For the past 17 years, Rabbi Brian Lurie has held the position of executive director of the Jewish Community Federation. During this time, he has played a major role in causing the diverse Jewish community of the San Francisco Bay Area to become a national pacesetter for Jewish philanthropy.

Rabbi Lurie has long been known for his innovative spirit, his sense of compassion, his vision, and his pride and belief in the Jewish people and the State of Israel. He has long been an outstanding member of the Jewish community and an innovator in the field of philanthropy. During his tenure as executive director, the Jewish Community Federation was one of the first organizations of its kind to establish an office in Israel to assist in monitoring how the funds were spent.

Under his stewardship, he has developed several programs which have allowed American Jews to be a part of Israel. Through the Summer in Israel Program, Jewish high school students have been able to enjoy the rich experience of living in Israel during some of their most important years. With Otzma, a program based on the Peace Corps, American Jews can aid in the development of Israel, as it struggles with the overwhelming problems of resettling thousands of Ethiopian and Soviet Jews. These programs, which are still flourishing, have helped a generation of young Jews develop a personal relationship with Israel and a stronger commitment to its future.

Mr. Speaker, on Saturday, September 28, 1991, Rabbi Brian Lurie will be honored by the Jewish Community Federation. I ask my colleagues to join with me in saluting a fine individual for his outstanding work as chief executive of the Jewish Community Federation, and wish him well in his position as chief executive officer of the United Jewish Appeals.

RECOGNITION OF ST. MEL'S CHURCH

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. SCHEUER. Mr. Speaker, I rise today to speak on behalf of the church of St. Mel in Flushing, NY, and its history. The church has been a community landmark for over 50 years.

The parish was established in February 1941. Its first pastor, Rev. Terence Sharkey, served from February to May of 1941. The original rectory was actually in St. Andrew's Parish, and the first place of worship was the local headquarters of the Democratic Club on Bayside Avenue between Murray and 154th Streets. Subsequently a tent located at Murray Street and Bayside Avenue was used.

Father Charles J. Reilly, succeeding Father Sharkey, remained only from May until June of 1941, until the arrival of Father Jeremiah Davidson in June 1941. He served until June 1948.

During the tenure of Father Davidson, a temporary church was built at the corner of 154th Street and 27th Avenue. The structure, often called the Quonset Hut, was two connected Levitt houses. Due to the war, restrictions on vital materials prevented the erection of a more permanent building.

The temporary church was dedicated on December 10, 1944, by Bishop Molloy. Upon the building of a new church, this temporary building was moved. In remodeled form, it is now the parish church of St. Pius X in Uniondale, Long Island.

Father Joseph Huether, replacing Father Davidson in June 1948, purchased the present rectory at 28–20 154th Street on June 19, 1950.

June 1950 was also a transition date. Father John F. Kelly became the new pastor until his death in June 1953. He was succeeded by Father Vincent J. O'Malley.

A combination building of church/auditorium/library had its groundbreaking July 11, 1954, on the corner of 154th Street and 25th Avenue. The building was dedicated November 10, 1955, by Bishop Edmund Reilly.

In the late 1950's, construction began on the original school, next to the church, from 26th to 27th Avenues. The first class entered the school in September 1960. On November 13, 1960, Bishop McEntegart dedicated both the school and convent. The Josephite Sisters, who for many years taught religion classes at the school, now assumed charge of the school.

The school's first principal was Sister Joseph Angela Campbell (1960 to 1964). Its first graduation was 1964.

Sister Clara Therese Ryan, 1964 to 1970, was the school's second principal. During her term, an extention to the school was built in 1965.

The parish celebrated its 25th anniversary on November 6, 1966.

From 1970 to 1972, Sister Jean William Blomberg served as principal, until her replacement by Sister Elizabeth Martin, who completed an 8-year term.

Reaching retirement age in January of 1976 and celebrating with a retirement mass during

the same period, Father O'Malley was succeeded by Monsignor James P. King.

As a consequence of the Second Vatican Council, Monsignor King began renovation of the church in its temporary setting, with work being completed in 1980.

Also 1980 saw the departure of Sister Elizabeth as principal, her replacement being Sister Patricia Kelly, who remained until June 1985.

In the fall of 1985, the school celebrated its 25th anniversary, and for the first time in its history had a "civilian" principal—Mr. James F. Hunt.

A Mass of Thanksgiving was held February 9, 1986, to celebrate the school's 25th anniversary, followed by a reception and reunion.

In the spring of 1986, the school held a dinner/dance at the Plandome Country Club to further celebrate its 25th anniversary; and to recognize Monsignor King's 40th anniversary of his ordination to the priesthood.

Having served the parish well for many years, Monsignor King was relieved of his assignment March 28, 1989, when Bishop Mugavero appointed Father John A. McGuirl as administrator of Saint Mel's Parish. Also during this period, the parish buildings received considerable repair and upgrading.

In June of 1990, Mr. Hunt completed his term as principal. With the aid of a search committee, Father McGuirl located and appointed Sister Rena Perrone as the new school principal.

Sister Rena was the first Dominican Sister to serve officially in the parish.

Thank you Mr. Speaker for the opportunity to recognize the Church of Saint Mel.

TRIBUTE TO MAJ. GEN. VITO MORGANO

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. PALLONE. Mr. Speaker, on Sunday, October 13, 1991, the honor of serving as grand marshall for the city of Long Branch, NJ, 1991 Columbus Day Parade will belong to Maj. Gen. Vito Morgano, adjutant general of the New Jersey Army and Air National Guard.

The parade committee chose General Morgano for his distinguished military career and the fact that he has brought great honor to the Italian-American community in our State. With our American forces having performed so brilliantly in Operation Desert Storm, the parade committee determined that the theme of this year's event should be dedicated to our Armed Forces, and General Morgano will stand as a particularly worthy representative of all our service personnel.

General Morgano is the 28th adjutant general of New Jersey. He commands the more than 16,000 soldiers and airmen of the New Jersey Guard with its responsibility to direct, control, and manage the New Jersey Department of Military and Veterans Affairs in the execution of Federal and State missions.

A native of New York City, General Morgano graduated from East Orange High School, NJ, in 1954. His military education includes: advanced noncommissioned officer course; officer candidate school; armor office basic course; armor officer basic and advanced courses; and command and general staff college. He also holds a bachelor of science degree from Regents College in New York.

The general began his military career by enlisting in the New Jersey Army National Guard in May 1953, with assignment to Company B, 644th Tank Battalion, 50th Armored Division. After serving on active duty from October 1955 to October 1957, he returned to the 644th Tank Battalion and the Guard. His service as a commissioned officer began in 1962 as a tank platoon leader. He was subsequently assigned as that company's armored cavalry platoon leader, executive officer and promoted to company commander in 1965.

In 1966, he was reassigned to command Headquarters-and-Headquarters Company, 2d Battalion, 50th Armored Division. He became S–4—supply officer—of the 2d Battalion in 1968 and served as motor officer before becoming the company commander in 1969. The general also served as S–2—intelligence officer—of the 4th Battalion, 102d Armor, Assistant S–2, 1st Brigade, and assistant S–3—training officer—through 1972.

Major General Morgano was appointed executive officer, 4th Battalion, 102d Armor, in 1974, before transferring to become executive officer of the 2d Battalion, 114th Infantry, in June 1975. In December 1979, he was assigned first as executive officer and then commander of the 2d Battalion, 113th Infantry, before he was named executive officer of the 2d Brigade in August 1981. During the years 1983–87, General Morgano was the commander of the 50th Armored Division Support Command. In September 1987, he was reassigned as commandant, New Jersey Military Academy and appointed deputy State area commander in January 1988, subsequently being promoted to assistant division commander, 50th Armored Division, in February 1988. On October 8, 1988, the general was federally recognized as a brigadier general, and on December 7, 1990, he was recognized in the rank of major general.

His military awards include the Legion of Merit, Meritorious Service Medal with Oak Leaf Cluster, Army Commendation Medal, Air Force Commendation Medal, Army Reserve Component Achievement Medal, NCR Professional Development Ribbon, and the Army Service Ribbon. He was awarded the State's highest military decoration—the New Jersey Distinguished Service Medal, and was recognized for outstanding achievement by both the Italian Tribune, Newark, and the Newark Chapter of UNICO, National. He has also served on the Governor's cabinet and has been involved in a variety of community organizations in Monmouth County, NJ.

The general lives in West Long Branch, NJ, with his wife, Louise. They have two married sons, Victor and Paul, two granddaughters, and one grandson.

The Columbus Day Parade, an annual event, begins in West Long Branch and proceeds through the heart of Long Branch, down Broadway. As a native of the city of Long Branch, this is always one of my favorite events. With General Morgano serving as grand marshal, this year's parade will be uniquely special and exciting.

AMERICA NEEDS HIGH-SPEED RAIL SYSTEMS TO RELIEVE GRIDLOCK

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. COYNE. Mr. Speaker, I am introducing a bill today which will serve to alleviate urban transportation gridlock by stimulating public and private sector investment in high-speed rail systems.

There is a pressing need to provide the American people with a safe and economical alternative to intercity highway and air transportation routes. A growing population and economy require an efficient national transportation system, but there is a limit to the number of highways and airports that can be constructed.

Gridlock is increasingly prevalent on the Nation's highways and in our country's air traffic space, and will become an even greater problem in the near future. According to the U.S. Department of Transportation, traffic delays will cost $50 billion a year in lost wages and wasted gasoline by the year 2005. The FAA estimates that air traffic congestion will affect 74 percent of air passengers, compared with 39 percent in 1986.

High-speed rail systems offer an answer to increased congestion on the Nation's highways and at the Nation's airports. The United States cannot afford to delay and longer the development of high-speed rail systems when the time lost in rush hour gridlock is expected to increase from 3 million hours annually today to 12 billion hours by the year 2005.

High-speed rail systems with trains traveling at speeds above 150 miles per hour are no longer a futuristic dream; instead, they are a proven transportation mode in use today in Europe and Japan. High-speed rail systems using steel wheel to steel are currently operating commercially in Japan, where the "Bullet Train" sustains speeds above 150 mph, and France, where the Tres Grande Vitesse, or TGV, travels at speeds above 160 mph.

High-speed rail systems now in use have proven themselves to be both safe and reliable. In France, for example, the French National Railroad has logged over 53 billion passenger miles of high-speed rail operations over the past 10 years. During this period of operation, the French system has achieved over 96 percent on time performance, load factors in excess of 70 percent, and a high degree of passenger safety.

High-speed rail systems using mag-lev technology now being developed would have even greater potential for relieving urban transportation congestion by offering reliable intercity transportation at speeds of up to 310 miles per hour. The United States led early research efforts on mag-lev, but today we are at risk of losing out to foreign competitors in this field just as we did with the VCR because of a lack of support at the Federal level for high-speed rail systems.

It is encouraging to note that this shortsightedness is not found at the State and local level. Efforts to develop high-speed rail systems are underway in many parts of the country, including the city of Pittsburgh, which I am proud to represent. Pittsburgh is the home of the Mellon Institute's High-Speed Ground Transportation Center at Carnegie-Mellon University. In addition, steps are being taken to develop the commercial potential of maglev technologies through joint projects between local Pittsburgh groups and international high-speed rail enterprises.

Across the United States, public and private sector groups are focusing on high-speed intercity rail systems as an answer to this gridlock. High-speed rail systems are now in various stages of planning and development in locations such as Pennsylvania, California-Nevada, Illinois-Minnesota, Florida, the Northeast corridor, Ohio, Texas, and Washington.

While this large number of States and regional interests are already beginning to plan and develop these systems, securing investment capital for these innovative transportation projects continues to be a major obstacle. For this reason, I believe the Federal Government must act to increase its support for the development of high-speed rail systems.

The legislation I am introducing today would help to spur new investment in high-speed rail technologies by providing equal access to tax-exempt bonds for the development of high-speed rail magnetic levitation [maglev] and steel-wheel-to-steel rail systems. Under current law, while 100 percent unrestricted tax exempt financing is permitted for airports, docks, and wharves, only 75 percent of bond issuance for high-speed rail systems is unrestricted. The other 25 percent must be allocated from State private activity bond volume limitation. Since many States currently operate near or at this Federal cap on State issuance of tax exempt bonds, eliminating the 25 percent allocation requirement would provide an important source of investment capital for high-speed rail systems.

The Federal Government has long played a central role in building highways and airports. We need a similar commitment to ensure the development of U.S. high-speed rail systems.

The facts are that no new national transportation systems have been developed commercially in the history of our country without a significant commitment at the Federal level. In 1946, direct Federal funding was first provided for the development of a comprehensive system of airports. Similarly, the Federal Government has financed the Interstate Highway System and other road projects to develop a transportation network for the automobile and the trucking industry.

The challenge of moving people between U.S. cities can be best met by complimenting these existing transportation networks with modern, safe and environmentally sound high-speed rail systems. I urge my colleagues to join me in supporting equal access to tax exempt bond financing for high-speed rail systems.

SPECIAL TRIBUTE TO EVA'S KITCHEN AND SHELTERING PROGRAMS, PATERSON, NJ

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. ROE. Mr. Speaker, it is with the greatest pride that I rise today to pay special tribute to a very generous group of dedicated individuals who have worked to provide over 1 million meals and over a quarter of a million bed nights to the poor and needy in my Eighth Congressional District in New Jersey. Eva's Kitchen and Sheltering Programs in Paterson, NJ, will celebrate a decade of benevolent service to the underprivileged citizens of the area with a gala dinner dance on Sunday, September 29 at the Wayne Manor.

Ten short years ago a group of priests had a simple dream to feed the hungry roaming the streets of Passaic County. Eva's Kitchen which has now expanded to Eva's Programs, embracing six programs in five separate buildings, is now the largest comprehensive poverty program in the State of New Jersey. The selfless contribution of the staff and over 700 volunteers who work at these facilities is an example of what is finest within the human spirit and shines as a light to all who have a hand to lend and time to share.

Mr. Speaker, at this point I would like to read several excerpts from a booklet authored by Camille Giancristofaro which eloquently outlines the history of this marvelous endeavor.

ANSWERING THE NEED—THE STORY OF EVA'S KITCHEN AND SHELTERING PROGRAMS

Poverty, hunger, homelessness, addiction to drugs or alcohol—each pain is a personal agony in itself; together they are excruciating. Increasing numbers of people are suffering through these illnesses in our society.

Since it first opened its doors to its innercity neighbors in 1981, Eva's Kitchen and Sheltering Programs situated in downtown Paterson has persisted in its self-imposed mission to answer the urgent needs of these people in distress.

"Eva's", as the complex organization is best known, started as a small kitchen in the basement of a former Paterson convent on Hamilton Street next to St. John's Cathedral, but today actually embraces six institutions ministering to the critical needs of Passaic county residents: (1) Eva's Kitchen, (2) Eva's Family Shelter (3) Eva's Shelter For Women, (4) Eva's Shelter For Men (5) Eva's Half-Way House For Men, and (6) Eva's Half-Way House For Women.

Msgr. Vincent Puma, who today is the Executive Director of the present operations, with his fellow Paterson priests started a small kitchen in the abandoned St. John's convent and from the original thirty meals it has multiplied to five hundred hot meals served daily to street people as well as others throughout the shelter and rehabilitation programs. They are welcomed as guests and served a nutritious meal with all the dignity due them as human beings. No one in line is refused. All are attended to by a continuous daily turnover of three hundred loyal volunteers who work in the actual food preparation, serving, clean-up and assisting a professional staff under the supervision of Anne Wagner, warmly addressed as "Sister Anne" by the guests.

Eva's has evolved and expanded its services to include shelters and drug and alcohol rehabilitation facilities. All the facilities are not-for-profit with no church or state affiliation, relying on private donations and grants from the county, state and federal governments.

As Msgr. Puma explains, other institutions address pieces of the problem; but here a person can be literally taken from the curb, nourished in body, nurtured in spirit, counseled, medically treated, supported, and directed until he or she steps back to the street, hopefully able to function as a responsible, independent person. This process often takes a complete year to accomplish.

Distressed people from the "kitchen level" are directed to assistance, through phone contacts for social services, beds for indigents or to the shelters and rehabilitation residences. Persons from the shelters are steered to A.A., N.A. and other self-help support groups. They can acquire basic skills and tools to find minimally decent employment and housing to have an acceptable quality of life when they leave the supportive family environment of Eva's.

Eva's is about survival; people helping people to meet basic physical, psychological and emotional needs. Eva's Creed reads in part:

". . . our brothers and sisters are undergoing experiences most of us never had. They have been insulted and degraded and are without basic human dignity. In all of our programs, we hope that they will learn to touch their own precious dignity and to feel the love that tells them that they are worth it after all."

Mr. Speaker, Eva's Kitchen and Shelter Programs is an innovative effort to turn human beings from an empty life to one full of possibilities. Human dignity is so often the missing spark in the life of an individual lost and alone on the streets. Eva's works to reignite that light within a person which will allow them to carry forward to a better life.

Mr. Speaker, I am proud to share in this tenth anniversary celebration, and I would like to congratulate the Honorary Gala Committee on which I served for their fine work: Mr. and Mrs. Jerry Porter, chairperson, Mr. and Mrs. Lawrence Fette, Mr. and Mrs. Paul Forbes, Mr. and Mrs. John J. Hannigan, Rev. Edward Lambro, Rev. Msgr. Vincent Puma, Mrs. Joan Waks, Mrs. Ann Wagner, and Mrs. Carol Winter.

I am sure that you, Mr. Speaker, and all my colleagues join me in commending Eva's Kitchen and Shelter Programs for their tremendous humanitarian efforts. Kindness and understanding are precious commodities which flow freely from the staff and volunteers who work there. They truly fulfill the highest calling in service to their fellow man.

PEACEMAKING EFFORT IN THE MIDDLE EAST

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. FRANK of Massachusetts. Mr. Speaker, we have heard a great deal lately from sources in the administration and outside of the supposed willingness of Syrian President Hafez Assad to participate in a genuine

peacemaking effort in the Middle East. Many of us are skeptical to a high degree, given the record of the Syrian regime. But nothing would please us more than to have that skepticism disproved. A willingness by Syria to drop the posture it has held up until now of unremitting hostility to the very existence of Israel and a willingness on its part to participate in the kind of compromise and mutual acceptance that is a necessary element of making peace would be greatly welcomed.

One very important thing the Syrian Government could do to manifest some progress in this area has to do with the plight of Jews now in Syria. Jews within that country are mistreated. They are not allowed to work in the public sector and they are discriminated against with regard to higher education. In many areas of life Jewish activity must be subordinated to supervision by non-Jews, with Jews not being allowed to function as they would in a free society. The bulk of Syrian Jews live in Damascus and they are constantly under surveillance in that community, with absences from school or work triggering police investigations.

In addition to the situation being very bad within Syria, Jews are not allowed to emigrate. The basic freedom to leave one country and go to another—which we have made a condition for our assistance to many countries, including the Soviet Union—it's denied to the Jews in Syria.

We should as a Government insist that the Syrian Government reverse both its external and internal policies of mistreating its Jewish citizens. Jews who wish to remain in Syria should be treated with full equality. Jews who wish to emigrate should be given the same freedom that any citizen of any country ought to be given—namely to go live elsewhere if that is the choice of those people. As long as the Syrian Government refuses to relent in either of these points, those of us who have long been skeptical of its peacemaking intentions will see very little reason to change our opinion. As evidence of the terrible conditions that prevail on the urgent need for them to be changed in the name of humanity, I ask that the translation from the newspaper Ma'ariv be reprinted here.

The surveillance of the Jews is so tight that, in instances when Jewish children have gone missing from school for more than two hours, agents of the secret police are sent to the home of the parents in order to clarify the reason for the absence. The absence of a Jew from their place of employment also arouses immediate suspicion, as is also the case if they are not seen in public for a while.

Agents of the secret police sit—permanently—in the synagogue during Sabbath prayers and survey the goings-on. The agents are also present at weddings and other festive occasions. About a year ago, the Jewish synagogue in Amtala was destroyed in order to build a new synagogue in its place, but—after the old structure had been destroyed—the authorities would not give the necessary permits for the building of the new one.

The authorities do not permit the entrance of foreigners into the Quarter without supervision. All such visits are conducted under the watchful eye of the secret services and the Jews are prevented from describing their actual situation. Travel abroad is permitted only in exceptional cases. Even then, those who ask to leave are forced to wait for a long period of time before receiving a passport—in exchange for an exorbitant sum of money. Family members remaining behind serve as hostages—to ensure that the person leaving does, indeed, return.

Most of the Jews, 3,000 in number, are concentrated in Damascus. The rest live in Haleb [400] and in Kashmili [180]. The Jews mostly work in peddling, trade and petty jobs. Among them are blacksmiths, grocers, butchers and the like. The number of merchants is very small. Among the Jews are also a few pharmacists and dentists. In Haleb, there are Jews who work as silversmiths. It is prohibited for Jews to work in the public sector and a number of university programs are closed to them. The mail and telephone conversations of the Jews are under supervision.

The Jewish women and girls in the Quarter are employed by a few Jews who set up a bakery and a textile factory within the Quarter. The Jews can go outside the borders of the Jewish Quarter in Damascus, but the majority of them tend to lock themselves in their homes in the evenings, for fear of being attacked. The word "Musawi" (of the faith of Moses) is printed—in red—on the identity papers of the Jews in Syria. The leader of Syrian Jewry is Hacham Avraham Albert Hamra, who is accepted by the authorities and enjoys freedom of movement, because he is a clergyman.

In the WUJS report, additional details are given regarding the distress of the Jews: In Syria, there are three Jewish schools, but the principals are not Jewish; Jews who work in foreign trade must have senior partners who are non-Jews; military people and government officials are prohibited from purchasing [merchandise] in the Jewish stores.

UNITED STATES SHOULD SUPPORT ISRAEL ON LOAN GUARANTEES

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. LEHMAN of Florida. Mr. Speaker, President Bush has requested the Congress delay consideration of loan guarantees for Israel. This raises troubling questions about long-term U.S. commitments toward one of our staunchest allies.

The Bush administration is afraid the Arab countries won't come to a peace conference if the guarantees are made. Yet neither Syria nor Jordan ever asked that the loan guarantees be delayed, nor was this ever a precondition for their participation in the peace talks. Additionally, the Arab states agreed to attend the peace conference without guarantee of a settlement freeze.

The central issue of these guarantees is immigrant absorption, and assisting Israel with this task is the culmination of longstanding American policy. Within the next 5 years, more than 1 million new Israelis may arrive from Russia and the Ukraine alone. President Bush's request is eroding America's historic commitment to freedom of emigration, while $4 billion worth of arms sales to the Arab states initiated since the gulf war are not being questioned. Will peace come from guns, or from homes, jobs, and the infrastructure needed to resettle productive, peace-seeking people?

I recommend to my colleagues the following editorial published in the Miami Herald on September 8, 1991. It summarizes, better than I can, the strong rationale for supporting our friends while equitably encouraging all the Middle East parties to attend the upcoming peace conference.

The article follows:

[From the Miami Herald, Sept. 8, 1991]

UNITED STATES SHOULD BACK ISRAEL

The United States has many "interests," but only a few genuine friends. Of these, none has been more steadfast than Israel. The Mideast's only democracy embodies the values that American aspires to represent in the world.

One of these—Israel's singular immigration policy—is grounded in the very meaning of the Jewish state. Nourished by a vast *diaspera*, Israel is truly a nation of immigrants. Today the great majority come from the Soviet Union—300,000 in the last 18 months. By 1994, more than a million Soviet Jews will settle in Israel. Absorbing them—providing housing, education, jobs—is a burden that states with greater resources would be hard pressed to bear.

Hence Israel, which always has repaid loans faithfully, is asking $10 billion in U.S. loan guarantees over a five-year period to finance part of the $50-billion absorption cost. With U.S. guarantees, Israel can borrow the money from international agencies much cheaper, and on longer terms, than without Washington as co-signer.

President Bush wants Congress to delay the loan request four months, until after the Middle East peace conference that could be held in October. Moreover, the White House has also insinuated that approval of the loan guarantees would be contingent upon Israel's commitment to halting settlements in the occupied territories. Israel opposes both conditions.

Successive U.S. Administrations, of both parties, have opposed Israeli settlements in the territories. The Herald does too, and long has, for the same two basic reasons: International law holds that it's illegal to populate conquered lands; and common sense holds that the settlements could be an immovable (literally!) obstacle to any eventual, durable Arab-Israeli peace.

But which of its own priorities will Washington choose: Opposing Israel's settlements policy, or aiding Israel's policy of resettling Jews long oppressed elsewhere? Resettling the Soviet Jews must come first. Because they are coming to Israel, loan guarantees or not, and their needs cannot wait. They are coming, regardless of what Mr. Bush does or says.

That's why the Administration, without withdrawing its objections to Israel's settlement policy, should help Israel, its only true friend in the Mideast. It's the right thing to do, and America will be repaid in kind.

"60 MINUTES" EXPOSÉ OF CHINESE LABOR CAMPS

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. DOWNEY. Mr. Speaker, yesterday, I spoke to my colleagues about the horrifying

conditions in Chinese labor camps that were exposed by the CBS television program "60 Minutes." This outstanding report by Ed Bradley and Harry Wu, who was once a prisoner in a labor camp, confirms the need for the Pelosi bill which makes further granting of most-favored-nation status to China dependent on China honoring human rights. Mr. Speaker, with your permission, I would like to include a transcript of this program as part of my remarks.

60 MINUTES: MADE IN CHINA

BRADLEY. Not from what we saw in China just a few weeks ago. In a remote prison camp called Tang Ge Mu in the barren foothills of the Tibetan plateau, we took these pictures of prisoners marching to work in blue uniforms. Many of these inmates are here for life. In another camp—in the capital of Ching Hai Province—these prisoners are processing sheepskin and making leather goods which, as we discovered, will end up in stores across America and around the world. The videotape was shot by Harry Wu, a former Chinese political prisoner now living in California. He agreed—at great personal risk, since he's still a Chinese citizen—to go back with a hidden camera to do what no outsider has ever done before: take pictures inside Chinese forced labor camps.

ED BRADLEY. You spent a total of how much time in prison?

HARRY WU. Nineteen years.

ED BRADLEY. Nineteen years.

HARRY WU. Yeah.

ED BRADLEY. Harry Wu's "crime"? As a student, he spoke out against the Soviet invasion of Hungary. Not far from Beijing, Wu managed to get us into the Qinghe Prison Farm, where he spent four of his 19 years as a political prisoner and where he says he was nearly starved to death. Entrance is strictly forbidden to anyone but labor camp personnel. But on this day, as we drove fifteen miles from one end of the camp to the other, no one stopped us. We could never figure out why.

Along the way, we could see prisoners at work—building a canal with picks and shovels, which is exactly what Harry Wu did when he was in this prison.

If they catch you doing this, what happens to you?

HARRY WU. Go back to the camp again.

ED BRADLEY. You could go back to prison?

HARRY WU. Of course, they will put me back in.

ED BRADLEY. Why are you doing it then?

HARRY WU. Because I think—the world have to realize there is camp system in China.

BRADLEY. A prison camp system modeled on the now-defunct Soviet gulag which experts say is made up of several thousand labor camps and millions of prisoners. Most prisoners are forced to sign confessions before they're even tried, and once convicted, few have a realistic chance to appeal their sentences. Human rights groups say brainwashing and torture are rampant.

The Li brothers—both former political prisoners—now living in Hong Kong, were released just two months ago—after former President Jimmy Carter intervened. They'd been jailed right after the Tiananmen Square movement, required to do forced labor, and, they claim, tortured.

LI. It's very painful to recall. Once I sat on a stone bench with a table in front of me. One policeman sat on the other side, questioning me, another stood behind me. Whenever I refused to admit something, the once behind me would strike me with an electric prod. The shock made me tremble and I couldn't sit still. I feel on the ground. It was unbearable.

BRADLEY. How many political prisoners are there? Recent secret Chinese documents indicate that approximately one in ten are in prison for political reasons, says China scholar Orville Schell, who was our consultant on this story.

SCHELL. We don't really know how many prisoners there are. Let's take five million as a totally arbitrary number, and we can't be much more definite, but that means that there's 500,000 political prisoners. That's a lot of political prisoners.

BRADLEY. All prisoners—including political prisoners—are supposed to "reform" themselves by doing forced labor—"reform through labor" as the Chinese call it. And this is one of the prison factories where reform through labor takes place—a plant on a busy street in Shanghai that makes hand tools. From the front, it looks like a normal factory. But behind the facade—on a side street—the barbed wire and the guard tower are unmistakeable.

This man—who is afraid of being identified—is a former high-ranking Chinese police official, now living in Hong Kong, who is familiar with the plant's operation.

So who are the people who work in this plant?

MAN. The majority are reform through labor prisoners, criminals . . . labor reform criminals.

BRADLEY. Prisoners who are there performing what we would call forced labor, working against their will?

MAN. Yes.

BRADLEY. No doubt about that?

MAN. Yes, no doubt whatever.

BRADLEY. In Beijing, Tong Zhi Guang (Tung Jir Guang), who is vice minister of Foreign Economic Relations and Trade—the government ministry in charge of China's exports—repeated to us the commitment his government reputedly made to President Bush.

No question but that the policy of the government says that products made through forced labor will not be exported from this country.

MINISTER OF MOFERT. No.

BRADLEY. Under no conditions.

MINISTER OF MOFERT. Under no conditions.

BRADLEY. Posing as a Chinese-American businessman who wanted to import hand tools, Harry Wu met with officials at the Shanghai Lao Dung Machinery Factory—the prison factory that makes the tools. Wu asked about purchasing some to sell in the United States and secretly recorded the conversation. Remember: it is illegal for forced labor goods from any country to be sold in the United States.

PRISON OFFICIAL. We would like to speak quite openly with you, because in the United States, Congress recently made a big deal about the special nature of our kind of enterprises.

WU. What about the special nature of your enterprise?

PRISON OFFICIAL. Our products are never exported directly. We always go through the import-export company system.

WU. As far as I know, the United States has a trade law that prevents importation of products made by prison labor.

PRISON OFFICIAL. But we will be exporting indirectly.

WU. But they will be able to find out! This will give us trouble because the customs will find out.

Ms. LU. Not if we don't export directly.

BRADLEY. We invited the prison officials to another meeting in a Shanghai hotel room, and secretly recorded our conversation. Harry Wu introduced me as the President of the American company interested in importing their hand tools. I told them that the one thing that bothered me was the reliability of their prison work force.

Given that these people are what you call reformed through labor, we could call forced labor that they're reliable. That they turn out a good quality product.

They told me there'd be no problem—that their factory had been in business for 41 years.

You know, I have to honest with you Mr. Tung, I, I, I . . . I have spoken to officials in Shanghai of the Shanghai Lao Dung Machine plant which uses forced labor. . . . They said they don't export directly, they do it through export-import companies.

MINISTER OF MOFERT. It's not to my knowledge, in the first place. No prison related manufacturing facilities have been ever given the right to engage in foreign trade. They're not allowed.

BRADLEY. I saw it with my own eyes. It's not in some obscure part of the country, it's in the middle of Shanghai. Prison officials have told me that they want our business, they could export to the United States, and there was a way to get around the problem of the United States Congress by doing it through an export, import company.

MINISTER OF MOFERT. To me it's inconceivable * * *.

BRADLEY. I heard it.

MINISTER OF MOFERT. They're not supposed to.

BRADLEY. But they're doing it.

MINISTER OF MOFERT. Then they're violating the government policy. That is true.

BRADLEY. But three weeks after we interviewed Vice Minister Tong, the Shanghai prison factory was still sending faxes to Harry Wu trying to sell those prison-made goods. We asked Orville Schell why that's so bad.

SCHELL. The question is, who is making the goods.

BRADLEY. Prisoners.

SCHELL. Prisoners. And who are the prisoners? If you have people who are locked up without trials, or locked up because somebody didn't like what they said and what they thought, and what religion they believed in, what they wrote, the kind of films, they make, the kinds of poetry they write, ah, this I think at least most Americans would find very offensive.

BRADLEY. Can you understand that Americans don't want products made by these people under forced labor, exported to the United States?

MINISTER OF MOFERT. As a matter of policy, the Chinese government never allows the export of what you call forced labor product.

BRADLEY. This may be China's "official" policy, but we had no trouble finding that numerous government-owned Chinese enterprises are violating it with impunity. In the forced labor camp where they process sheepskin and leather, Harry Wu asked the prison manager about importing his forced labor products to the United States. "No problem," the plant boss told him, and then he gave Harry Wu the name and address of the import-export firm in Hong Kong that could handle the transaction.

So we sent to Hong Kong and met the middlemen—the Winmate Trading Company. Once again, we pretended to be importers. They told us a lot of this prison-made leath-

er goods are finished in Korea and sold in the United States. So we invited them to a meeting that we once again secretly videotaped. This time, our soundman, Ned Hall, posed as the company president.

HALL. The laborers themselves are prisoners?

COMPANY REPRESENTATIVE. Yes.

HALL. Have you had experience with this kind of labor in the past, have you found it to be dependable?

COMPANY REPRESENTATIVE. Yes, they have their own regulations, and also we send our people to keep on checking the quality also. Once we report to them the quality is not up to standard, the prisoners will have the punishment or beatings or some other things.

BRADLEY. Did she say what I thought she said? What prisoners will be punished or beaten? She did.

COMPANY REPRESENTATIVE. Once we report to them the quality is not up to standard, the prisoners will have the punishment or beatings or some other things.

MAN. Oh, okay.

BRADLEY. Do you think that the government of China is capable of enforcing a policy of no forced labor exports?

MINISTER OF MOFERT. Absolutely.

BRADLEY. Absolutely? Then how was it that the Volvo Company received a letter on behalf of China's labor camp enterprises offering to provide—quote—a large number of criminals as very cheap labor to foreign manufacturers.

How would you represent this letter to Volvo?

MINISTER OF MOFERT. As I say, I do not know . . . It's not to my knowledge. I've never heard of this.

BRADLEY. I'll show you the letter, be happy to show you the letter. "We hear that you want to build plants in Asia. We would like you to build a plant in China, and we will be able to provide a reliable cheap work force of prisoners."

MINISTER OF MOFERT. Now I . . . this name is not even known to me.

BRADLEY. You think this is a mistake?

MINISTER OF MOFERT. Either a mistake, or the letter itself is in doubt.

BRADLEY. Then perhaps you can explain to me, ah, the 1989 law book, the law yearbook of China which is published by Beijing's law publishing house, said that the . . . in 1988 alone the value of products for export made by forced labor increased by 21 percent . . . Now these are the figures published by your government, by government publication. It's in print. How would you respond to that?

MINISTER OF MOFERT. I never know it.

BRADLEY. You never know it. Now your position is what? You're the Vice Minister . . .

MINISTER OF MOFERT. Of Mofert.

BRADLEY. . . . of Mofert. Which is in charge of export . . .

MINISTER OF MOFERT. And import.

BRADLEY. And import . . . And you don't know that?

MINISTER OF MOFERT. No. It has never happened.

BRADLEY. That comes from a government publication.

MINISTER OF MOFERT. Government publication can make mistakes.

BRADLEY. We pointed out to Vice Minister Tong that numerous government publications brag about the use of forced labor for export. One official prison reform journal says: "The labor reform enterprises throughout the country have great potential for developing exports and earning foreign exchange."

Minister, it comes from your own government publications.

MINISTER OF MOFERT. As I say, even those publications make mistakes.

BRADLEY. You're an expert on the Chinese government. I don't understand why they would lie to us, to foreigners about something that they boast about in these internal documents.

SCHELL. The Chinese have a long tradition . . . the information they share among themselves within the country is very different from what they expect to share with people outside; namely, you and I. And they . . . they're . . . become used to operating in this kind of dual system. So the . . . they don't imagine that you will know these things.

BRADLEY. Vice Minister Tong says he can't understand why China's most-favored-nation trade status should depend on issues he says have nothing to do with trade.

MINISTER OF MOFERT. Including human rights, arms control, forced labor as we talked about.

BRADLEY. So that China's continuing most-favored-nation trade status should have nothing to do with human rights in this country?

MINISTER OF MOFERT. No, not in my way of . . .

BRADLEY. Should have nothing to do with forced labor in this country?

MINISTER OF MOFERT. No.

BRADLEY. It is only about business.

MINISTER OF MOFERT. Business is business.

NONTRADITIONAL STUDENTS ASSISTANCE ACT OF 1991

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. PENNY. Mr. Speaker, the traditional image of an undergraduate is a 20-year-old full-time student who lives in a dorm for 4 years and then graduates. However, that represents only about 20 percent of college students today. A more accurate picture is a 25-year-old female who lives off campus, works almost full time, and commutes to a community college. She postpones having children until she earns a degree, or she juggles family and school.

Of the approximately 14 million college students, 55 percent are female; 45 percent are at least 24 years old; 40 percent attend school part-time, and nearly 30 percent are married. The number of part-time students is expected to grow to over 60 percent by 1995. And not all part-time students are older: 20 percent of students under age 24 attend school on a part-time basis.

Despite the trend toward attending school on a less-than-full-time basis, very few of these needy students are eligible for Federal student financial assistance. Only a few less-than-half-time students receive Pell grants and these very same students are not eligible at all for federally insured student loans. Today, I am introducing legislation, the Nontraditional Students Assistance Act, to make these needy students eligible for all forms of Federal student financial assistance programs on an equal basis with full-time students.

My bill also expands the Pell grant child care allowance from $1,000 to $3,600. This new level of child care assistance—which is the single largest need of nontraditional students—will make college much more affordable for tens of thousands of needy student families. My bill also cleans up the definition of independent student by making it easier for truly self-sufficient undergraduate students to be declared independent for the purposes of determining their level of student financial assistance.

Mr. Speaker, this legislation is vitally needed. As the Congress moves to rewrite the Higher Education Act, I urge members to be aware of the needs not being addressed by the current student financial aid structure. By making relatively minor changes to current law, we can open the door for many students who currently have no where to turn.

The bill follows:

H.R. 3354

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 "Nontraditional Students Assistance Act of 1991".

SEC. 2. QUALIFICATION FOR INDEPENDENT STUDENT STATUS.

(a) IN GENERAL.—Section 480(d)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(d)(2)) is amended—

(1) by striking "or" at the end of subparagraph (F); and

(2) by striking subparagraph (G) and inserting the following:

"(G) is an individual—

"(i) who was admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

"(ii) who was granted asylum in the United States under section 208 of such Act; or

"(iii) whose deportation has been withheld under section 243(h) of such Act; or

"(H) is a student for whom a financial aid administrator makes a documented determination of independence by reason of—

"(i) a history of self-sufficiency;

"(ii) a history having been a victim of child abuse or spouse abuse; or

"(iii) other unusual circumstances.".

(b) PELL GRANTS.—Section 411F(12)(B) of the Act (20 U.S.C. 1070a-6(12)(B)) is amended—

(1) by striking "or" at the end of clause (vi); and

(2) by striking clause (vii) and inserting the following:

"(vii) is an individual—

"(I) who was admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

"(II) who was granted asylum in the United States under section 208 of such Act; or

"(III) whose deportation has been withheld under section 243(h) of such Act; or

"(viii) is a student for whom a financial aid administrator makes a documented determination of independence by reason of—

"(I) a history of self-sufficiency;

"(II) a history having been victim of child abuse or spouse abuse; or

"(III) other unusual circumstances.".

SEC. 3. ELIGIBILITY OF LESS-THAN-HALF-TIME STUDENTS FOR PROGRAMS.

(a) GSL LOANS.—

(1) AMENDMENT.—Section 428(b)(1)(A) of the Higher Education Act of 1965 is amended by striking "any student who is carrying at an eligible institution at least one-half the normal full-time academic workload (as determined by the institution)" and inserting

"any eligible student (as defined in section 435(m))".

(2) DEFINITION.—Section 435 of such Act is amended by adding at the end thereof the following new subsection:

"(m) ELIGIBLE STUDENT.—The term 'eligible student' means an individual who—

"(1) meets the requirements of section 484; and

"(2) is either—

"(A) carrying at least one-half the normal full-time academic workload at an eligible institution (as determined by such institution); or

"(B) carrying less than one-half such normal full-time workload but (i) has successfully completed the first academic year of a program of undergraduate education, and (ii) is enrolled in a degree or certificate program of such institution and making satisfactory progress in such program (as determined by such institution in accordance with section 484(c)).".

(b) ELIGIBILITY FOR PELL GRANTS.—

(1) AMENDMENT.—Section 411(b) of the Higher Education Act of 1965 is amended—

(A) in paragraph (6), by striking subparagraph (C) and inserting the following:

"(C) from funds appropriated for any succeeding fiscal year unless the student is an eligible student (as defined in subsection (j)).''

(B) by striking paragraph (7).

(2) DEFINITION.—Section 411 of such Act is further amended by adding at the end thereof the following new subsection:

"(j) ELIGIBLE STUDENT.—The term 'eligible student' means an individual who—

"(1) meets the requirements of section 484; and

"(2) is either—

"(A) carrying at least one-half the normal full-time academic workload at an eligible institution (as determined by such institution); or

"(B) carrying less than one-half such normal full-time workload but is enrolled in a degree or certificate program of such institution and making satisfactory progress in such program (as determined by such institution in accordance with section 484(c)).".

SEC. 4. GRACE PERIODS AND DEFERRAL FOR LESS-THAN-HALF-TIME STUDENTS.

(A) GSL LOANS.—

(1) GRACE PERIOD.—Section 428(b)(1)(E) of the Higher Education Act of 1965 is amended by striking "to carry at least one-half the normal full-time academic workload as determined by the institution" and inserting "to be an eligible student (as defined in section 435(m))".

(2) DEFERRAL.—Section 428(b)(1)(M)(i) of such Act is amended by striking "(I) is pursuing" and all that follows through "or (III)" and inserting "(I) is an eligible student (as defined in section 435(m)), or (II)".

(b) NDSL LOANS.—

(1) GRACE PERIOD.—Section 464(c)(1)(A) of the Higher Education Act of 1965 is amended—

(A) by striking "ceases to carry" and inserting "ceases to be eligible student (as defined in section 435(m))"; and

(B) by striking "at least one-half the normal full-time academic workload,".

(2) DEFERRAL.—Section 464(c)(2)(A)(i) of such Act is amended by striking "is carrying at least one-half the normal full-time academic workload" and inserting "is an eligible student (as defined in section 435(m))".

SEC. 5. CHILD CARE EXPENSE ALLOWANCES.

Section 411F(5)(B)(iv) of the Higher Education Act of 1965 is amended by striking "$1,000" and inserting "$3,600".

FAIRNESS TO THE TREATMENT OF MILITARY RETIREES

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. CUNNINGHAM. Mr. Speaker, I rise today to introduce legislation which will bring fairness to the treatment of military retirees. I am joined in this effort by my colleagues from San Diego, Mr. HUNTER, Mr. LOWERY, and Mr. PACKARD.

San Diego is, of course, a major center of military retirees. Thousands of service men and women spend time in San Diego during their military careers, and upon retirement, do as I did and choose to remain in San Diego. Our community benefits richly from their presence, and San Diego offers a host of facilities that make life for military retirees easier.

Foremost among these facilities is the military health care system. Our Naval Hospital in Balboa Park is second to none in offering outstanding care by compassionate, dedicated professionals. There are also numerous clinics and other health facilities which cater to San Diego's large active-duty and retired military community.

One of the attractions of military life is the commitment made by the Government to continued medical care after retirement. In San Diego, however, many retirees have encountered problems in obtaining health care in military and veterans facilities. They thus turn to private and public hospitals, at considerable expense to themselves and the taxpayers.

With this problem in mind, a group of retirees in my district have drafted legislation to reform health care for military retirees. The present wording of title 10, chapter 55, states that care at a military facility is an entitlement; but the point is not clearly worded in all instances. All military persons have been told and promised from day one of active service that medical care would be provided; and that such care, would be provided for life. Current law does not contradict that principle—not in any way.

This legislation uses subvention to allow CHAMPUS and Medicare to reimburse military facilities and veterans hospitals directly when care is provided to a retiree. This provision of care will not cause a new expense to the existing budget, in fact, it can save appropriated money. Subvention, simply put, will permit the spending of an existing CHAMPUS or Medicare authorization in a less costly military or veterans facility rather than a more costly civilian hospital.

The present title 10 authorizes care for retirees and their dependents "subject to availability of space and capabilities." In the case of dependents, but not retirees, current law gives conclusive authority to medical personnel to deny care at the point of admission. In interpretation, the present language is at best confusing. Since care is subject to only 2 conditions subsequent, it is never clear which condition is cited for denial. In truth, care has been denied arbitrarily when there obviously was space and the capabilities existed. In many cases, a retiree is denied when it is blatantly clear that any denial by the medical personnel is authorized as against dependents only * * * there is no rule in the title as to how a retiree is excluded.

This bill will remove all vagueness and pindown the decision for exclusion to one person in each facility. The decisionmaker at each military facility need only assert that all room/space is needed for active duty, or specifically declare—and advise all concerned up and down—that the service needed is not available.

The cost of providing care at a military facility or veterans hospital is lower simply because there is no profit motive. A prior Army study States that a 40-percent savings is forecast in the case of Medicare subvention. We believe that this is a very conservative estimate. Patient housing cost savings, if considered alone and apart from medical service, would far exceed this estimate.

This is a key point to some authorized retirees and their dependents. This is not a HMO-type plan. The patient can use or not use a military or veterans hospital at their discretion, or can use a civilian hospital if desired.

This bill will not create new benefits or new beneficiaries. It will, however, clarify a vague area in the law and allow our military retirees to fully benefit from the promises made to them. I believe it will also save the taxpayers money and provide better health care. I urge my colleagues to join me in supporting this bill.

FEDERAL FIRE SAFETY ACT OF 1991

HON. RICK BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. BOUCHER. Mr. Speaker, I am introducing today legislation to address the serious problem of fire safety in Federal office buildings and federally subsidized housing. Our New York colleague, Mr. BOEHLERT, is the primary cosponsor. Just last month a major fire at the General Services Administration [GSA] headquarters building in Washington displaced more than 2,500 employees and resulted in more than $200,000 in damage. The GSA headquarters building is not protected by sprinklers, a factor we believe may have contributed to the severity of the damage, which included the loss of the historic "Teapot Dome" dining room adjacent to the GSA Administrator's office.

The recent GSA fire highlighted the mounting evidence that our Federal office buildings have serious fire safety problems. More than one-half of the Federal buildings owned by the GSA are more than 40 years old. A May 1991 General Accounting Office report, entitled "Federal Buildings: Actions Needed to Prevent Further Deterioration and Obsolescence" concluded that Federal buildings have long been neglected, and many now need major repairs and alterations including the installation of sprinklers. GAO found that the lack of attention to these problems costs the Government more money in the long run and in some instances jeopardize employees' health and safety. The problem is compounded by the

fact that federally owned buildings are exempt from local fire codes.

These problems are not confined only to Federal office buildings. Residential fires are the leading cause of death from unintentional injury in the home for individuals from ages 1 through 64 years. Two thousand deaths from fires occur annually among children under the age of 15 years, with those under 4 years of age being at highest risk. The poor, whether in rural America or in the inner city, are at the highest risk for serious injury or death in a fire. Studies completed in Baltimore and Philadelphia have confirmed that the installation of smoke detectors in low income areas is an inexpensive, reliable means of reducing the risk of death and serious injury from fires.

I believe the Federal Government should serve as a model for fire safety protection and encourage by its own actions, the private sector to use the technology that has been proven to save lives. Three areas where the Government can make an immediate difference in fire safety are Federal office buildings, housing for Government employees, and privately owned, multifamily housing constructed with Federal subsidies.

The legislation I am introducing today will provide greater fire safety protection in these areas by requiring:

First, the installation of sprinklers in newly constructed Federal office buildings having more than 25 employees;

Second, that all newly leased Federal office space having more than 25 employees be protected by an automatic sprinkler system, unless the agency certifies that the commercial leasing market is unable to meet the requirement at an acceptable cost;

Third, the installation of sprinklers in all buildings of five or more stories, which contain leased Federal office space, at such time as the building undergoes a major renovation—defined as improvements representing more than 25 percent of the current value of the building;

Fourth, that newly constructed, multifamily housing for Federal employees whether Government-owned or leased, be protected by automatic sprinklers and smoke detectors; and

Fifth, that newly constructed, multifamily high-rise housing subsidized by the Federal Government be protected by automatic sprinklers and smoke detectors, and rental assistance housing be protected by smoke detectors.

To limit dislocation, the bill would not apply to Federal offices in existing space, or to existing subsidized housing. The legislation does require the installation of smoke detectors in rental assistance housing and the installation of smoke detectors in multifamily high-rise housing which is undergoing major rebuilding and repairs.

The Subcommittee on Science of the Committee on Science, Space, and Technology will hold a hearing on this legislation on September 24, 1991, at 10 a.m. in room 2318, Rayburn. During the hearing we will receive testimony from a number of Federal agencies and others with expertise related to the provisions of the bill. I want to emphasize that our measure is fully consistent with the rights of State and local governments to establish fire and building codes. In most instances, the legislation will simply bring Federal office buildings under the same fire safety protection afforded by many local codes, which presently exempt the Federal Government.

I appreciate the support and interest of the gentleman from New York, Mr. BOEHLERT, who has worked closely with me in developing this legislation. We anticipate early committee actions on the measure and urge our colleagues to join with us in enabling the Federal Government to serve as a model for the private sector in the area of fire safety protection.

H.R. 3360

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 "Federal Fire Safety Act of 1991".

SEC. 2. FINDINGS.

The Congress finds that—

(1) through the Federal Fire Prevention and Control Act of 1974, the Federal Government has helped to develop and promote the use of residential sprinkler systems and other means of fire prevention and control;

(2) the United States has more fires, fire-related deaths, and fire-related losses per capita than any other industrialized nation in the world, with approximately 6,000 deaths annually attributable to fires;

(3) the vulnerability to fire of office buildings and residential housing units can be reduced through strong fire safety measures;

(4) it is essential for the protection of life and property from fire that the most effective technology be employed in detecting, containing, and suppressing fires;

(5) when properly installed and maintained, automatic sprinklers and smoke detectors provide the most effective safeguards against the loss of life and property from fire; and

(6) federally constructed, renovated, purchased, leased, or operated buildings, and other structures with respect to which Federal funds are expended, should serve as models for demonstrating appropriate means of reducing fire hazards to the local community.

SEC. 3. FIRE SAFETY SYSTEMS IN FEDERALLY ASSISTED BUILDINGS.

The Federal Fire Prevention and Control Act of 1974 is amended by adding at the end the following new section:

"SEC. 31. FIRE SAFETY SYSTEMS IN FEDERALLY ASSISTED BUILDINGS.

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

"(1) the term 'automatic sprinkler system' means an electronically supervised, integrated system of piping to which sprinklers are attached in a systematic pattern, and which, when activated by heat from a fire, will protect human lives by discharging water over the fire area, and by providing appropriate warning signals (to the extent such signals are required by Federal, State, or local laws or regulations) through the building's fire alarm system, installed in accordance with the National Fire Protection Association Standard 13 or 13R, whichever is appropriate for the type of building and occupancy being protected, or any successor standard thereto;

"(2) the term 'equivalent level of safety' means an alternative design or system based, to the extent practicable using the best available technology, upon quantitative cost benefit analysis of the total building system (including structural, mechanical, electrical, and lifesafety systems) and analysis of potential fire loss exposures and adverse conditions related to fire safety, which alternative design or system provides safety equivalent to automatic sprinkler systems;

"(3) the term 'Federal employee' means an employee of the Federal Government, and includes an employee of the United Postal Service;

"(4) the term 'Federal employee office building' means any building in the United States, other than housing, regularly occupied by more than 25 full-time Federal employees in the course of their employment;

"(5) the term 'housing assistance' means any housing assistance—

"(A) provided by the Federal Government in the form of a grant, contract, loan, loan guarantee, cooperative agreement, interest subsidy, insurance, or direct appropriation; and

"(B) under which rent payments, with respect to all or some of the units in the housing assisted, are limited, restricted, or determined under law or regulation based on the income of the occupying families,

but such term does not include rental assistance;

"(6) the term 'multifamily property' means a residential building consisting of more than 4 residential units;

"(7) the term 'prefire plan' means specific plans for fire fighting activities at a property or location;

"(8) the term 'rebuilding' means the repairing or reconstructing of portions of a multifamily property representing more than 75 percent of the current value of the multifamily property, not including the value of the land on which the multifamily property is located;

"(9) the term 'renovated' means the repairing or reconstructing of portions of a Federal employee office building representing more than 25 percent of the current value of the building, not including the value of the land on which the building is located;

"(10) the term 'rental assistance' means tenant based rental assistance under section 8 of the United States Housing Act of 1937 or any similar rental assistance program of the United States, including the Rural Rental Assistance Program of the Farmers Home Administration;

"(11) the term 'smoke detector' means a hard-wired, single station, self-contained alarm device that is designed to respond to the presence of visible or invisible particles of combustion, installed in accordance with the National Fire Protection Association Standard 74 or any successor standard thereto; and

"(12) the term 'United States' means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

"(b) FEDERAL EMPLOYEE OFFICE BUILDINGS.—

"(1) PROHIBITION.—(A) No Federal funds may be used for the construction or purchase of a Federal employee office building unless the building is protected by an automatic sprinkler system or equivalent level of safety.

"(B)(i) Except as provided in clause (ii), no Federal funds may be used for the lease of a Federal employee office building unless the entire Federal employee office building includes automatic sprinkler systems or an equivalent level of safety.

"(ii) Clause (i) shall not apply if the leasing agency certifies that no suitable building

with automatic sprinkler systems or an equivalent level of safety is available at affordable cost to the agency in the location where leasing is required.

"(iii) Within 3 years after the date of enactment of the Federal Fire Safety Act of 1991, and once every 3 years thereafter, the Comptroller General shall audit all certifications made under clause (ii) and report to Congress on the results of such audit.

"(2) EXCEPTIONS.—This subsection shall not apply to a Federal employee office building that—

"(A) was a Federal employee office building before the effective date of the regulations implementing this subsection;

"(B) becomes a Federal employee office building pursuant to a commitment to move Federal employees into the building that is made prior to the effective date of those regulations;

"(C) is owned or leased by the United States Postal Service and has less than 35,000 square feet of space;

"(D) is constructed or rebuilt with funding provided under the Health Insurance for the Aged and Disabled Act; or

"(E) is owned or managed by the Resolution Trust Corporation.

"(3) ADDITIONAL FEDERAL EMPLOYEES.—No Federal funds may be used to increase the number of full-time Federal employees in a Federal employee office building by more than 100 employees over the number of employees in such building as of the date of enactment of the Federal Fire Safety Act of 1991, unless the building is protected by an automatic sprinkler system or equivalent level of safety.

"(4) RENOVATION.—No Federal funds may be used for the renovation of a Federal employee office building of 5 or more stories unless after such renovation the Federal employee office building is protected by an automatic sprinkler system or equivalent level of safety.

"(c) HOUSING.—

"(1) HOUSING FOR FEDERAL EMPLOYEES.—

"(A) No Federal funds may be used for the construction, purchase, lease, or operation by the Federal Government of housing for Federal employees or their dependents in the United States unless—

"(i) in the case of a multifamily property acquired by the Federal Government after the effective date of the regulations implementing this subsection, the housing is protected by an automatic sprinkler system and smoke detectors; and

"(ii) in the case of housing with 4 or fewer residential units, the housing is protected by smoke detectors.

"(B) No Federal funds may be used for the rebuilding by the Federal Government of housing for Federal employees or their dependents unless after the rebuilding that housing has fire safety protection as provided in subparagraph (A)(i) and (ii).

"(2) HOUSING ASSISTANCE PROGRAMS.—(A) No Federal funds may be used for housing assistance which begins after the effective date of regulations implementing this subsection unless—

"(i) in the case of multifamily properties of 4 or more stories, the housing is protected by an automatic sprinkler system and smoke detectors; and

"(ii) in the case of all other housing, the housing is protected by smoke detectors.

"(B) No Federal funds may be used for the rebuilding by the Federal Government of multifamily properties of four or more stories with respect to which housing assistance is provided unless after the rebuilding that multifamily property is protected by an automatic sprinkler system and smoke detectors.

"(3) RENTAL ASSISTANCE PROGRAMS.—No Federal funds may be used for rental assistance after the expiration of 18 months after the date of enactment of the Federal Fire Safety Act of 1991, unless the housing unit with respect to which the rental assistance is applied is protected by smoke detectors.

"(d) REGULATIONS.—The Administrator, within 18 months of the date of enactment of the Federal Fire Safety Act of 1991, shall promulgate regulations implementing this section, including regulations to provide specificity to the term 'equivalent level of safety', and shall, to the extent practicable, base those regulations on nationally recognized codes.

"(e) STATE AND LOCAL AUTHORITY NOT LIMITED.—Nothing in this section shall be construed to limit the power of any State or political subdivision thereof to implement or enforce any law, rule, regulation, or standard concerning fire prevention and control.

"(f) PREFIRE PLAN.—The head of any Federal agency that owns, leases, or operates a building or housing unit with Federal funds shall invite the local agency or voluntary organization having responsibility for fire protection in the jurisdiction where the building or housing unit is located to prepare, and biennially review, a prefire plan for the building or housing unit.

"(g) REPORTS TO ADMINISTRATOR AND CONGRESS.—(1) Within 3 years after the date of enactment of the Federal Fire Safety Act of 1991, each Federal agency (including the United States Postal Service) that constructs, purchases, leases, or operates a Federal employee office building shall submit a report to the Administrator describing the level of fire safety in the Federal employee office buildings for which that Federal agency is responsible. Based on those reports, within 6 months after the receipt of such reports, the Administrator shall submit a comprehensive report to the Congress detailing the progress of each agency in implementing this section.

"(2) Within 10 years after the date of enactment of the Federal Fire Safety Act of 1991, each Federal agency providing—

"(A) housing to Federal employees;

"(B) housing assistance; or

"(C) rental assistance,

shall submit a report to Congress on the progress of that agency in implementing subsection (c) and on plans for continuing such implementation.".

THE PRESIDENT SHOULD COMPROMISE IN LATEST UNITED STATES-ISRAELI ESTRANGEMENT

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. OWENS of Utah. Mr. Speaker, for reasons which are still not clear 3 days after the event, President Bush, late last week, began an intensive media crusade to delay by 120 days America's long-promised loan guarantees to Israel for Soviet Jewish immigrants.

No one can figure out why he undertook the high-visibility campaign, but he succeeded in raising the issue to the front pages of public concern, and to enhance dramatically the passions in this country, either in support of or in opposition to the loan guarantees.

The Salt Lake Tribune, in an excellent, thoughtful editorial yesterday entitled "Latest United States-Israeli Estrangement Needs the James Baker Touch" pointed out that "it's time to cool this sort of rhetoric."

James Baker would not have initiated this unseemly and indelicate blast at the Israeli Government at this delicate time of preparation for the peace conference, and to him falls the difficult task of repairing and rebuilding the bridges which the President has chosen to tear down.

This debate is not good for this country, it is not good for Israel, and it is, most of all, not good for the peace process which Secretary Baker and President Bush have so effectively promoted.

There is a compromise available which can spare us this painful, destructive fight. The President should say that he will support the $10 billion guarantee—which does not cost the taxpayers anything—in January, and that he will not try to link it to the peace process. He has hinted at both points. He should now make his support clear, and the current impasse can be resolved.

[From the Salt Lake Tribune, Sept. 15, 1991]

LATEST UNITED STATES-ISRAELI ESTRANGEMENT NEEDS THE JAMES BAKER TOUCH

Once again, a U.S. secretary of state carries an extraordinary task to meetings in the Middle East. This time, James A. Baker III must somehow repair a widening U.S.-Israeli rift when he convenes personally Monday in Israel with Israeli Prime Minister Yitzhak Shamir.

Just a few short months after another triumphant U.S.-Israeli alliance—victory over Iraq's Saddam Hussein in the Persian Gulf War—the two long-time friendly nations are barking complaints at each other. Needlessly as well as dangerously.

The source of the conflict is Israel's request for a $10 billion loan guarantee from the United States, the authorization planned as help for settling Jewish immigrants streaming into Israel from the Soviet Union. While no serious objection to the proposal currently exists in Washington, D.C., President George Bush wants action on it postponed until a comprehensive Middle East peace conference is arranged. He foresees the delay lasting no longer than until the first of next year.

Unfortunately, discussions prompted by the possible delay have degenerated into a test of political wills. Mr. Shamir, in his inimitable style, immediately rejected the notion as a "gift to the Arabs," connecting the issue to the very Mideast struggle Mr. Bush's preferred peace conference is supposed to diminish. The U.S. president, responding to that kind of pressure, trotted out his favorite reprisal—a White House veto of any loan guarantee enacted "prematurely" by Congress.

Inevitably, partisans on all sides weighed in with arch comments of their own. One newspaper in Israel went so far as to characterize the Bush statements as "a declaration of war." It's time to cool this sort of rhetoric.

Granted, the Israelis have one valid point. That is the fear that the Bush administration is delaying the loan guarantees so they can be used during the peace conference to compel Israeli concessions, such as a freeze on further Israeli settlement in lands occu-

pied by Israeli forces but eyed by displaced Palestinians for their future "autonomous" homeland.

Even this is a weak reed, since such arm-twisting could be easily, quickly exposed, to the detriment of the administration's peace treaty ambitions. President Bush, in fact, has the better of the debate, although he needn't have brandished veto threats.

Full loan guarantee approval can be delayed, at least a few more months.

The help can be eventually granted because Israel has always been a dependable borrower, because she desperately needs such assistance and is a good friend of the United States in the Mideast. Since the United States was instrumental in getting Moscow's permission to let so many Russian Jews depart, this country is obligated to help with resettlement costs.

Finally, the sort of cooperation the United States and Israel employed during the Persian Gulf War, with Israel restraining itself even as Hussein lobbed Scud missiles at its cities, relying on U.S.-led forces to smash the Iraqi despot's war-making machine, is the relationship both countries must protect and preserve. The loan guarantee issue is tractable, certainly not worth prompting a U.S.-Israeli estrangement at this important hour.

Expert at mediation, Secretary Baker will surely attempt to reassure and calm his Israeli hosts. His success will depend on a reciprocal readiness to the agreeable. Politics, in the U.S. as well as Israel, is largely responsible for causing this latest difference of opinion between normal and natural allies. But with so much in the balance—the prospects for a workable Mideast peace accord—prevailing as politicians is less important than emerging as mutually distinguished statesmen.

HONORING WEEHAWKEN MAYOR STANLEY D. IACONO

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. GUARINI. Mr. Speaker, I would like you and my distinguished colleagues to join me in saluting Anthony Iacono, mayor of Weehawken and a fine public servant.

Mayor Iacono retired at the end of 1990 after serving for a total of 14 years as mayor of Weehawken. During this time he built a solid reputation as a skilled administrator, a strong manager and a leader of the people.

Mayor Iacono's dedication and talents have been recognized through a number of honors and appointments to statewide and national commissions while he served as mayor. This Saturday evening, the residents of Weehawken and many from around Hudson County, my congressional district, will gather to pay tribute to Mayor Stanley Iacono and his achievements.

The people of Weehawken have much to thank Mayor Iacono for. In the 1960's and 1970's, he served on the town's board of education from 1963 to 1969 and from 1976 to 1979—and was elected mayor from 1969 to 1974.

During his tenure, he dealt with many challenges as the character of Weehawken and all of Hudson County changed. Blue-collar and manufacturing jobs, the mainstay of much of the area, were declining. Longtime residents were moving out and new residents with different needs were moving in.

Throughout these changes, Mayor Iacono kept a steady hand on the helm and worked to prepare Weehawken for the future.

After a 6-year hiatus from the mayor's office, Stanley was returned to office by the people of Weehawken. And it was at this time, that Mayor Iacono faced one of the toughest challenges during his career as a public servant.

In 1982, Mayor Iacono took over a town on the brink of disaster. The town had been rocked by scandal. The town's finances were in such poor shape that bankruptcy seemed to be a very real possibility. The people's confidence in their local government had been badly shaken.

But Mayor Iacono managed to turn the town around. He created a credible, honest government for the people of Weehawken. A successful businessman who has been president of Arrow Iron Works since 1960, Mayor Iacono used his business acumen to bring the town back to prosperity.

By the end of the decade, Weehawken was a new town, thanks to Stanley Iacono. Government was running smoothly. A plan to develop the town's waterfront, which is home to breathtaking views of the Manhattan skyline, had been worked out to suit the needs of residents and incoming businesses.

At the end of the mayor's fifth term in office, Weehawken had become one of the most desirable places to live in Hudson County. Taxes were stable, residents were offered excellent municipal services and in Stanley Iacono, the town had a leader it could trust.

Only a true public servant, such as Stanley Iacono, could have ensured a bright future for Weehawken.

Mayor Iacono's dedication to public service also extended beyond the borders of his town. He has served on the state department of community affairs local finance board from 1975 to 1980 and was reappointed in 1989. In 1972, President Nixon appointed him to the White House Commission on Aging.

And in Weehawken, Stanley was more than just mayor. He served on the Weehawken Charter Commission in 1981 and is the past exalted ruler of the Weehawken Benevolent Protective Order of the Elks.

Even though Mayor Iacono has now retired from public life, his legacy will continue. Weehawken's current mayor, Richard Turner, worked closely with Mayor Iacono throughout his time in office. And Stanley's son Anthony is now the town's township manager.

All the residents of Weehawken and especially Stanley's wife, Anna Marie, and his children, Guy, Antoinette and Anthony, should be proud of Stanley Iacono. He has served faithfully as mayor and serves as an example to public servants everywhere.

Mr. Speaker, I hope you and my distinguished colleagues will join with me in saluting my good friend and a fine man, Stanley Iacono.

TWINS FIND SUCCESS IN OPENING "TISKETS AND TASKETS"

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, I am pleased to recognize today two of my constituents, Ms. Connie Dahms and Ms. Joanna Sguros, who recently were featured in the Miami Herald for their successful Coral Gables gift shop, Tiskets and Taskets. The article "Friendly service is twins' secret to success," tells the story of how two twins gave up the corporate life to open a successful small business:

FRIENDLY SERVICE IS TWINS' SECRET TO SUCCESS

Twins Connie Dahms and Joanna Sguros, owners of Tiskets 'N Taskets Inc., a gift shop in Coral Gables, aren't identical in their ways of running a business. That, they say, is the secret of their success.

Combining the financial savvy of Sguros and the buying savvy of Dahms makes the business appealing to their clientele, they said.

"We live together and work together and we may have heated arguments, but we make up in five minutes and compromise when it comes to the business," Dahms said.

"My partner is someone I can trust. There's no one I'd have gone into business with except her. We think differently but we agree on what needs to be done to get the business ahead," Sguros said.

The store, at 241 Miracle Mile, offers a wide variety of items: baskets, baby bibs, stuffed animals, key chains, books, toiletry items and art note cards. Twenty percent of the items, such as the country wood plaques and ceramic pieces, are made by local artisans.

"You can come in and get a gift for anyone on your list," Dahms said.

"I just love it," said Louise Camperty, a Gables resident shopping in the store. "I like the children's items, the candies, everything. I'd like to just buy up the store."

The sisters opened their first store in May 1989 at 2351 Salzedo St. They moved to their present location on Miracle Mile in March and tripled their business. More than 400 customers drop in weekly.

"When we first started the business, we didn't have the management experience. We thought we had better start small so we opened the store on Salzedo. It was a learning process, but we made our mistakes on a small basis," Dahms said.

The Coconut Grove residents said they wanted to open a gift shop because there are many high-end stores and they saw a need for items suited for those on a tight budget. The most popular items are the Seagull pewter line and dried floral arrangements.

Most items in the store cost $15 to $25. The most expensive is a pewter brush and mirror set for $195.

Before getting into the business, Sguros managed a laboratory at Coral Reef Hospital, since renamed Deering Hospital. Dahms worked for Eastern Airlines, planning and scheduling at a reservation center. Both quit their jobs in December 1987 and spent a year traveling.

"Neither of us wanted to go back to corporate life, especially after a year of traveling to places like Alaska. We always talked about opening a gift shop, so we did it," Dahms said.

Their future goal is to open a tea and gourmet shop.

Currently, they are building a section of goods that promote the preservation of natural resources, such as books on oceans and forests, and towels made by companies that donate part of their proceeds to the World Wildlife Fund.

"We've been told the reason for our success is how we treat people. A lot of our customers are people who now come in and chat with us and we've gotten to know about them and their families," Dahms said.

I am pleased to pay tribute to Ms. Dahms and Ms. Sguros by reprinting this article from the Miami Herald written by Wanda Fernandes. Their story is typical of the many successful entrepreneurs who have achieved their dream through hard work and determination.

RESOLUTION SUPPORTING ARMENIAN PEOPLE

HON. STENY H. HOYER

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. HOYER. Mr. Speaker, I have just returned from chairing a Helsinki Commission delegation trip to Vienna, where the new round of Confidence and Security Building Measures [CSBM's] talks has begun, to the Baltic States, which are celebrating the restoration of their long-sought independence, to Georgia and Armenia, and finally, to Moscow, where the delegation attended the opening session of the third meeting of the Conference on the Human Dimension of the CSCE.

We found Armenia to be a republic that is no less dedicated to its freedom and independence than the Baltic States. This ancient people has maintained its sense of nationhood through the centuries, in the course of which it has endured many disasters and horrors, especially in 1915. Today, after seven decades of stifling centralizing control by the Kremlin, Armenia stands on the brink of becoming an independent state. In August 1990, a democratically elected parliament passed a declaration on transition to independence. The next step in the process will be a referendum on September 21, to which the Helsinki Commission will send observers.

Mr. Speaker, the Armenian people have set a firmly democratic course toward independence, which promises to yield a welcome addition to the growing number of democratic countries in the international community. On October 16, there will be a multiparty, multicandidate election, in which the people of Armenia will elect a president, and to which the Helsinki Commission will also send observers. Our delegation met with President TerPetrosyan, as well as with leaders of opposition parties that will field candidates. We were deeply gratified to hear all of them pledge their commitment to democratic principles and human rights. Our brief, but deeply felt, experience in Armenia left all the members of the delegation confident about the prospect of democracy in Armenia.

JUSTICE DEPARTMENT'S NEW MIRANDA WARNING

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. KANJORSKI. Mr. Speaker, the U.S. Justice Department has developed a new Miranda warning for admitted Panamanian drug pilot Daniel Miranda and five of his cronies.

You have the right to remain in the United States.

You have the right to receive your pilot's license back.

You have the right to an attorney.

If you cannot afford an attorney we will provide one for you, along with a $510,921 signing bonus.

These are among the benefits the U.S. Justice Department has proposed bestowing upon Miranda and a handful of other drug kingpins with ties to former Panamanian dictator Manuel Noriega and the Medellin drug cartel.

If these confessed drug smugglers, dealers, and money launderers want to stay in the United States they should spend their time in Federal penitentiaries, not on the streets. Yet the Justice Department's policies will turn a number of them loose on the streets again, and will even give them preferential immigration treatment over the millions of hard-working, law-abiding foreigners who seek—and are denied—admission to the United States each year.

I would like to share with my colleagues an article from the Washington Post by Michael Isikoff describing the sordid details of the Justice Department's proposed special deals for these admitted criminals, as well as the text of a letter a number of my colleagues and I will send to INS Commissioner Gene McNary protesting preferential treatment for aliens who break our laws and then seek a haven in the United States.

Hon. GENE MCNARY,

Commissioner, U.S. Immigration and Naturalization Service, Department of Justice, Washington, DC.

DEAR COMMISSIONER MCNARY: We are writing to express in the strongest possible terms our outrage over the Justice Department's request that Daniel Miranda, Louis del Cid, the family of Ricardo Bilonick, and other individuals who are admitted drug smugglers and money launderers be given preferential immigration status in the United States.

Emma Lazarus' inscription on the Statute of Liberty reads, "Give my your tired, your poor, your huddled masses, yearning to breathe free." It says nothing about drug smugglers and money launderers.

At a time when the Immigration & Naturalization Service is running a lottery to give honest men and women a chance for a new life in the United States, and when less than one percent of all applicants in that lottery will be successful, it is a gross injustice that preferential immigration status may be given to convicted drug dealers, racketeers and families. What message are we sending to the world when we encourage individuals to break the law in order to gain admission to the United States.

We urge you to stand up for the principles for which our nation was founded by rejecting these applications for preferential immigration status.

[From the Washington Post, Sept. 9, 1991]

PLEA BARGAINS, FEES FOR WITNESSES AGAINST NORIEGA QUESTIONED

(By Michael Isikoff)

MIAMI.—Lawyer Michael O'Kane said he had no trouble last month when he sat down with federal prosecutors to resolve the case against his client, accused Panamanian drug pilot Daniel Miranda.

"We gave them a list of demands and they basically agreed to all of them," he said.

Last Wednesday, Miranda pleaded guilty to one count of transporting $800,000 in drug proceeds. In exchange for prosecutors recommending a lenient sentence that may result in less than a month of prison time, Miranda agreed to testify against his better-known codefendant, ex-Panamanian dictator Manuel Antonio Noriega.

The deal with Miranda was the latest in a series of plea bargains that, in the eyes of some lawyers, underscores the extraordinary lengths to which the Justice Department has gone in its effort to convict Noriega—the first former head of state to be brought to the United States for trial as a result of a foreign invasion by the United States. The Justice Department declines to comment on individual plea bargains.

The propriety of these deals had already emerged as an issue by the time jury selection began last week in Noriega's trial on drug trafficking and conspiracy charges. Noriega's lawyers have repeatedly accused prosecutors of passing out "Get Out of Jail Free" cards in exchange for cooked-up testimony against their client.

Moreover, say critics, not only have prosecutors dropped counts and offered dramatically lowered sentences to Noriega's codefendants, but prosecutors also have paid $1.5 million in "fees" to another six men—most of them convicted drug traffickers and pilots—for information and potential testimony against Noriega. The prosecutors informed Noriega's lawyers of the fees in a letter.

One of the six was Tony Aizprua, a Panamanian drug pilot who began to implicate Noriega after Aizprua's cocaine-filled plane was forced down in Florida four years ago. Since then, Aizprua has received $510,921 from the U.S. government.

"What they are doing is giving the courthouse away," said Jeffrey Weiner, a Miami lawyer who is president of the National Association of Criminal Defense Lawyers.

Diane Cossin, spokeswoman for the U.S. attorney's office, declined to discuss any specific arrangements with witnesses, but said of the plea bargains, "We do not consider them unusual."

Many lawyers and former prosecutors agreed last week that the plea bargains are not radically different from those entered into by the Justice Department in other cases. The practice of "flipping defendants" to get higher-ups is a longtime prosecutorial practice that has been used in recent years in such high-profile, successful prosecutions as those of drug cartel kingpin Carlos Lehder in 1988 and District drug trafficker Rayful Edmond III in 1989, they noted.

"Within reason and common sense, you do what needs to be done to make your case," said Neal Taylor, a former assistant U.S. attorney who represents another Noriega codefendant who has pleaded guilty—Medellin drug pilot Roberto Streidinger. As Taylor and others have noted, without secret videotaped or written documentation proving that Noriega dealt drugs, prosecutors have been forced to find evidence among drug dealers, money launderers and other felons.

Nevertheless, many defense lawyers here say the bargains for testimony have rarely been as overt and across-the-board as in the Noriega case.

With Miranda's plea last week, seven of the 15 codefendants indicated with Noriega in February 1988 have agreed to plead guilty and cooperate with the government. Many of these "cooperating witnesses" were, like Noriega, charged with serious drug-trafficking crimes and under different circumstances could have faced decades in federal prison. Instead, prosecutors have recommended they receive sentences sharply lower than normal and have offered help with immigration and other problems.

"I've never seen anything like this, and I've been doing criminal defense work here for 18 years," said Joel Rosenthal, a Miami lawyer who represents Amet Paredes, another Noriega codefendant who pleaded guilty in the case last year.

Miranda, for example, had acknowledged flying a Learjet to Colombia to be outfitted for cocaine shipments of Medellin cartel boss Pablo Escobar. The had been facing up to five years in prison.

But prosecutors agreed to recommend he serve no more than 30 months, which O'Kane said will make his client eligible for parole within a few weeks—given the time he has served since his 1989 arrest.

Prosecutors also threw in a couple of sweeteners. They will ask the Immigration and Naturalization Service to grant Miranda, a Panamanian citizen, permanent "legal entry" into the United States. And at what O'Kane said was his insistence, they will recommend to the Federal Aviation Administration restoration of Miranda's commercial pilot's license.

Futhermore, O'Kane said last week, Miranda could provide only corroborating testimony about background events; he has never met Noriega.

A few weeks earlier, former Panamanian diplomat Ricardo Bilonick—who prosecutors charge served as Noriega's go-between with the Medellin cartel—entered a guilty plea to one count of racketeering. Besides agreeing to the dropping of two other counts (one of which involved the smuggling of more than 2,100 pounds of cocaine), prosecutors agreed to help expedite the entry of Bilonick's wife and children into the United States, recommend they stay here without visas and urge foreign governments that he not be prosecuted.

Bilonick, a confessed high-level trafficker who said he met regularly with Escobar, will serve some hefty prison time. He had been facing up to 60 years; prosecutors agreed to recommend 10 years at most, which if adopted by U.S. District Judge William M. Hoeveler, could make him eligible for parole in less than seven.

(Current federal sentencing guidelines do not permit parole, but that applies only to crimes committed after they went into effect in 1987. All of the acts in the Noriega case allegedly took place before then.)

"This is a deal of a lifetime for a guy like this," said Daniel Forman, Bilonick's lawyer and a former federal prosecutor, "Given the level of this guy's activity, and the type of conduct he was involved in, this is the type of defendant who would have been looking at a lot more time."

The government reached a similar arrangement last December with former Panamanian Defense Forces Lt. Col. Luis del Cid, who is expected to testify about handing Noriega envelopes stuffed with hundreds of thousands of dollars of cash that had been passed to him by narcotics traffickers.

Del Cid had been facing four drug and racketeering counts totaling a possible 70 years in prison. Prosecutors dropped three of them and recommended a maximum of 19 years on the fourth. In addition, they promised to forgo deportation proceedings when del Cid is released.

Some lawyers pointed out last week that the government's offers to help with immigration problems is not unusual. The government has long sought to protect its most valuable witnesses through such vehicles as the federal witness protection program. In this case, Panamanians or Colombians who testify run a high risk of making enemies back home and also need protection.

The government should not extract "co-operation from a witness and then leave him hanging," said Jim Gailey, the federal public defender in Miami. "They can't very well have him cooperate and then deport him back to Colombia."

Gailey last month arranged a deal for another codefendant, David Rodrigo Ortiz-Hermida, a Colombian drug pilot serving a 15-year sentence in France for smuggling cocaine through Guadeloupe. Prosecutors said they would recommend a 10-year sentence for him but agreed that it could run concurrently with his prison time in France.

But Gailey said he is not surprised by the government's behavior. "There's probably never been a trial where the stakes are as high." he said.

RETIREMENT OF ROGER GUFFY

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. SKELTON. Mr. Speaker, September 30, 1991 will mark the end of a distinguished career for one of our country's outstanding financial leaders. Roger Guffy, president of the Federal Reserve Bank of Kansas City, will retire following a 23-year term of service with that institution. His term of more than 15 years as president of the bank is the second longest of the current Reserve Bank presidents and he is the dean of the Federal Open Market Committee.

Roger Guffy and I were in law school at the University of Missouri and became friends, developing a bond that has lasted through the years. I have followed his career and have appreciated the wisdom of those who recognized his talent, and recruited and promoted him within the Federal Reserve system.

He has proven his ability repeatedly. His leadership can be measured successfully through the review process of the board of governors, which has rated the Kansas City bank as outstanding for the last five consecutive years. He has put together an organization at the Kansas City Fed that he proudly points to as the crowning accomplishment of his administration at the bank.

An instinct for working positively with people has served Roger well. The relocation of the president's office within the building is illustrative of the man and his style. The ground floor offices, in an area he called the marble garden, were vacated. While the employees used to have to go by his office each day. He now has to go by theirs, and he enjoys the resulting relationships. The lobby has been converted into a visitor's center with exhibits and information about the operation of the Federal Reserve system.

In reply to a reporter's request to describe a good day, Guffy said:

A good day would have been a busy day; it would have been full of contact with people. It would have produced a substantive result rather than just pushing paper. At the end of a good day your work really has added up to something, and you walk out satisfied that you've done your best with the tools you have. That would be a satisfying day for me.

It is my sincere belief that description applies to the days that make up the career of Roger Guffy with the Federal Reserve Bank system. He has ably served the Nation in a difficult, challenging position. I want to use this record to state my appreciation for the work he has done for us all.

TRIBUTE TO JAMES W. LILLEY, JR.

HON. ROBERT E. ANDREWS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. ANDREWS of New Jersey. Mr. Speaker, I rise today to pay tribute to a great American, James W. Lilley, Jr., the retiring superintendent of schools in Gloucester Township, NJ.

I am submitting for the RECORD a description, written by Mr. Joseph J. Del Rossi, of some of Mr. Lilley's invaluable contributions to our community.

JAMES W. LILLEY, JR.

A quiet dignified man, James W. Lilley, Jr. has dedicated his life to the schools and community of Gloucester Township, Mr. Lilley's vision and diligence in his role as an educator, in addition to this active participation in community groups and service organizations have made him a well-respected and revered leader in Gloucester Township.

After graduating from Glassboro State College in 1951, an eager Jim Lilley embarked on his career as an educator. His first employment began in 1951 as a teacher in the Cinnaminson public school system. In 1955 he transferred to Delaware Township (Cherry Hill) also as a teacher. During this time, Jim earned his Master's Degree from Rutger's University and in 1956 obtained his first administrative position as principal of the Hunchwan School.

In the year 1957 fate brought a new principal to the Blackwood Elementary School. . . Thus began a most important and eventful relationship between James W. Lilley, Jr. and the Gloucester Township public school system. After a four year tenure at Blackwood, Mr. Lilley was named Assistant Superintendent of the district. He served in this position for just three years; he then received the distinction of being named superintendent of schools in 1964. As Superintendent, Mr. Lilley has personified excellence in education, leading the district through more than twenty-five years of growth and change. His keen perception and "eagle eye" combined with his boundless energy have enabled him to keep a pulse on the needs of the schools, the community and families which they serve.

Mr. Lilley has always emphasized the school community relationship, encouraging

the use of schools for over fifty different groups before, during, and after school, including evenings and weekends. Jim has been the key to the school district's involvement in the Annual Gloucester Township Day celebration. The schools' enthusiastic contributions can be attributed to James Lilley and the positive example he displays.

During Mr. Lilley's tenure as superintendent, he effected change in every facet of the school system. He organized a regionalized transportation system that daily transports 15,000 students. Additionally, Mr. Lilley engineered an inventory system which allows joint purchasing for the school district, Black Horse Pike Regional District and the municipality at large. Jim Lilley's support of the local school program has been demonstrated through his meticulous attention to ensuing the best possible education for the children of Gloucester Township. His support of special education programs for the learning disabled and the pioneering of the Gifted and Talented Program are just two examples.

Mr. Lilley's commitment to education and his inherent professionalism are evident in the many educational organizations in which he was a member and held office. Among these are the following: Camden County School Administrators—President, New Jersey Association of School Administrators—Conference Chairperson, Camden County Superintendents Round Table—Chairperson, National and New Jersey Education Associations, New Jersey Association of School Administrators, and the New Jersey Council of Education.

Complementing his role as Superintendent of Schools, James Lilley has been extensively involved in serving the community-at-large. The Rotary International has benefited from his enthusiastic efforts, strong work ethic and leadership skills. He has served as President of the Blackwood Rotary Club, Governor for District #764, and Team Leader for the Group Student Exchange to New Zealand.

In addition to his work with the Rotary, Mr. Lilley has helped to nurture and develop the youth of Gloucester Township and Camden County through his active involvement with the Boy Scouts. He has held office as President of the Camden County Council and Director of The Big Timber District. In 1978 he was elected to the National Council of the Boy Scouts of America. The Boy Scout ideals of "being prepared" and helping those in need are most indicative of the true nature of Jim Lilley.

A relentless worker and strong believer in volunteer and service organizations, Mr. Lilley has also been involved with numerous other community activities and associations. Those include the following: Merchanvilles Pennsauken YMCA, Blackwood Jaycees, Gloucester Township Historic Preservation Society, Blackwood Library Committee, Gloucester Township Businessmen's Association, Camden County Health Services Board of Managers, and the Camden County Hospital Board of Directors.

In light of his extensive involvement with the Gloucester Township community and his sincere communication to the profession of education, Mr. Lilley has received numerous accolades from his peers, the community, and the organizations which he has served. First recognized by his home town in 1973, Jim was named the "Outstanding Citizen in Gloucester Township" by the Junior Chamber of Commerce. His superlative career as an educator was recognized in 1977 by the I.D.E.A. Fellow Institute when they selected James Lilley as one of "500 Out-standing American Educators." The Rotary, which Jim served so well honored him in 1982 with the "Rotary Foundation Citation for Meritorious Service." The year 1985 also saw him being awarded the Glassboro State College "Distinguished Alumni Award." Most recently, James was presented with the "American Legion Appreciation Award for Distinguished Service" in 1986.

Herbert Hoover in 1956 stated, "No greater nor more affectionate honor can be conferred on an American than to have a public school named after him." This most prestigious honor was bestowed upon Jim Lilley in 1985 when the Gloucester Township Board of Education approved the name of its newest building—the James W. Lilley, Jr. Elementary School.

Although Mr. Lilly has faithfully served the Gloucester Township community, his family has always remained a most important and central part of his life. Married for thirty-nine years, James Lilley has been a dedicated family man—a loving husband to his wife. Tina, and a wonderful father to their six children. Today, he and Tina enjoy the pleasure of twelve grandchildren. When he sets aside time to relax, Jim engages in various sporting activities. He has been a well-known catcher for various baseball [cam] and has held membership in the Rosedale Rod and Gun Club, including service as its President. Currently, Jim is an avid golfer teeing off regularly at The Woodbury Country Club and has chaired the Gloucester Township Day Golf Committee for the past three years.

James W. Lilley, Jr., through his lifetime of dedicated service to the community of Gloucester Township and his outstanding achievements as an educator, has truly earned a place of respect and honor in the eyes of those who know him. Mr. Lilley's depth of character and his willingness to serve stand as an extraordinary example for all. His lifetime contributions will be long remembered by those who know him and will have an everlasting effect on the community of Gloucester Township.

CHANGE IN UNEMPLOYMENT PROGRAM

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. CAMP. Mr. Speaker, I voted in favor of H.R. 3040 because I believe it is important to provide additional relief to families who have been struggling with unemployment. My home State, Michigan, is always among the States hit hardest by an economic downturn, and this most recent recession has been no exception. The hardworking men and women of Michigan want jobs and are looking for work, but they are unable to find jobs. This legislation will provide needed assistance to families who are feeling the pain of a recession and have been unable to return to the work force.

I must say, however, that I would prefer that this legislation provide assistance on a temporary basis, as is our tradition of temporarily extending jobless benefits during recessionary times. It is my hope that our friends in the Senate will take this issue into consideration and that a final bill providing a temporary change to unemployment benefits will emerge from conference committee.

The House has taken an important step today toward providing needed help to those who have been hurt the most by economic misfortune. But let us be careful in future development of this legislation, with respect to an extension of benefits, to take into consideration the long-term effects of a change in the unemployment program, and let us be mindful of the difference between a permanent and a temporary change in law.

OLDER AMERICANS ACT REAUTHORIZATION

HON. JOAN KELLY HORN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Ms. HORN. Mr. Speaker, I recently wrote to all of the senior citizens in the Second Congressional District. In that newsletter I said that I, as their representative in Washington, was going to do what I can to see that they receive the services and benefits to which they are entitled. As part of this commitment, I recently voted in favor of the Older Americans Act Reauthorization [OAA]. With the passage of this bill, we are assured that, at least for the next 3 years, senior citizens will continue to receive vital services under the OAA.

These services such as meal delivery, legal assistance and in-home caregiving are essential programs that help keep older Americans living in their homes and in familiar family surroundings. I am pleased that the House has moved in an efficient manner to fund these programs at reasonable levels. I am also pleased that there are no cost-sharing provisions in this bill and that seniors will not be faced with fees for services under the OAA.

This reauthorization contains other important provisions to provide better services to seniors in the future. The new Federal Ombudsman Centers will do research and make recommendations to Congress and the administration on legislation for older Americans. This bill will require that the President call a National Conference on Aging. This conference will allow seniors themselves to make recommendations to reform programs. Major legislative initiatives have come out of the last three conferences and I hope this one will be as productive.

Demographics indicate that older Americans are the fastest growing sector of our population. People are living longer and in the next few years there will be growing difficulties in providing sufficient services for seniors. While this bill will do a substantial amount of good, we realize that in the future we must make a larger commitment to providing programs for older Americans. When that time comes, I will be ready to make that commitment.

MONTGOMERY HONORS NATIVE SON HANK WILLIAMS, SR.

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. CLEMENT. Mr. Speaker, today, 68 years to the day that he was born, I rise to pay tribute to one of the greatest musical geniuses in history, Hank Williams.

This afternoon in Montgomery, AL, Hank Williams, Sr., will be honored by the city where his musical legend began.

Mayor Emory Fulmer and the Montgomery City Council dedicated a plot in the city park across from city hall to house a life-sized statute of the immortal Hank Williams.

Hank Williams music has become part of our national heritage. The songs he wrote and performed not only changed the face of country music, they became part of Americana and live on today in the United States and throughout the world.

I'd like to share with my colleagues an outline of how the career of this musical genius began.

Born on September 17, 1923, in Mount Olive, AL, Hank Williams was the son of a poor rural family. He spent his childhood years in a log home listening to his mother, a church organist, whose hymns and southern gospel were Hank's first introduction to music.

By the age of 7, due to the ill health of his father, Hank worked in the street selling peanuts and shining shoes to help provide a meager income for his family. He learned to play guitar from a street musician named Teetot.

At age 11 he learned to accompany himself on a $3.50 guitar his mother bought him as a birthday present. The following year he won first prize in a songwriting contest with his original composition of "WPA Blues," and by age 14 he had formed his own band playing local hoedowns and dances. "Hank Williams and the Drifting Cowboys" became regulars on Montgomery radio station WSFA.

During the early and mid-1940's Hank Williams tried jobs ranging from rodeo rider to working in the Mobile shipyards.

Hank returned to Montgomery in 1944 where he formed another band also named the "Drifting Cowboys" which included his wife Audrey.

From that time Hank Williams continued to write and perform songs that would make him a legend. Through highs and lows in his career and personal life, Hank Williams continued to display a God-given talent and ability—a gift that comes along maybe once in a lifetime—to write and perform music that touched people's souls.

Although he could never read or write music, Hank Williams forged a career that people remember today. The author of 125 songs, this man who came from humble roots in the Alabama countryside, will be honored in the city where he first began his career.

Hank Williams, Jr., nicknamed Bocephus by his father, selected Doug and Sandra McDonald of Mabank, TX, to create the bronze sculpture of his father that will be unveiled this afternoon. Ralph Houlditch, a Montgomery resident, created the special base for the statue.

Hank, Jr., will unveil the bronze statute of his father at 4 p.m. this afternoon in Montgomery.

The memorial to this immortal talent is fitting, appropriate, and richly deserved.

I ask my colleagues to join me today in honoring and remembering this legend whose contributions to the music industry and to our national history and culture will live forever.

ST. JOHN'S CHURCH: 300 YEARS OF SERVICE TO YONKERS

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mrs. LOWEY of New York. Mr. Speaker, we are still a new country in a new world, and we have few institutions that have 300-year histories. One of those is St. John's Church at Getty Square in Yonkers, NY, which is beginning its tercentenary celebration this Sunday. As it does so, it is a vibrant institution making important contributions to its parishioners and to the community at large.

In the 1690's, much of what is now Westchester County was part of the vast Phillipse Manor estate. Yonkers, then a small hamlet surrounded by farmland, was part of that land when it was constituted as a parish of the Church of England in 1693, the beginning of what became St. John's.

The church building was begun in the 1750's, and finished in time to serve as a hospital for wounded soldiers during the Revolution. In 1792, it was formally named St. John's. As Yonkers grew over the next century, St. John's grew as well. Several additions were made to the building, culminating in a major rebuilding in 1872, when the church acquired the beautiful appearance that it maintains to this day.

Through the years, St. John's has played a valuable role in Yonkers' civic life. The church built the first hospital in the city, St. John's Riverside, in 1872, established a home of the aged, and nurtured innumerable local charities. Its members have included many of Yonkers' leading citizens. That record of service, I am confident, will continue in the centuries ahead.

This weekend, St. John's will begin the celebration leading up to its 300th anniversary. I am proud to represent such a venerable and important institution, and I join all of the members of St. John's in recognizing the important accomplishments of their church as it prepares to enter its fourth century of service. They have a fine history, which provides a firm foundation for a future of continued service to the people of Yonkers.

OMNIBUS TRANSPORTATION EMPLOYEE TESTING ACT OF 1991

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. COUGHLIN. Mr. Speaker, today I am delighted to be joined by my distinguished colleague, BILL HUGHES, to introduce critically important legislation requiring mandatory drug and alcohol testing of transportation professionals.

The Omnibus Transportation Employee Testing Act of 1991 will require testing for drug and alcohol use by the operators of aircraft, railroads, commercial motor vehicles, and mass transportation vehicles. It protects the rights of those tested by incorporating guidelines established by the Department of Health and Human Services [HHS] on laboratory accuracy, as well as protections for individual privacy.

In 1989, the Department of Transportation [DOT] issued final rules to require drug testing of nearly 4 million transportation workers. While this is certainly a step in the right direction, this legislation will provide the DOT with the statutory authority necessary to prevent court challenges. It will also require the DOT to supplement their program with requirements for alcohol testing.

The evidence of drug and alcohol use in the transportation industry is overwhelming. Just last month, 5 people were killed and at least 130 others were injured when a New York City subway train derailed and crashed. The motorman had a blood alcohol content [BAC] of .21 percent—twice the legal limit in New York State—when he was tested 13 hours after the accident.

In the wake of this terrible tragedy, I want to commend Sonny Hall, president of the Transport Workers Union Local 100, for his public recognition of the need for random testing stating that his members "Have no fear of drug or alcohol testing." It gratifies me greatly to see that union leaders who have traditionally been opposed to random drug testing are acknowledging that testing is a logical response to a very serious problem.

In January 1987, a crash between a Conrail freight train and an Amtrak passenger train at Chase, MD, resulted in 16 fatalities and 170 injuries. The Conrail train's engineer and brakeman subsequently testified that they had been smoking marijuana in the cab prior to the fatal accident. The National Transportation Safety Board [NTSB] further found that a probable cause of the accident was the engineer's failure, as a result of impairment from marijuana, to stop the train in compliance with cab and wayside signals.

In March 1990, a Southeast Pennsylvania Transportation Authority [SEPTA] train crashed, killing 3 people and injuring 94. Transit authorities subsequently announced that one of the motormen on the subway train tested positive for cocaine use.

A recent incident involving substance abuse in the aviation industry was the sentencing in 1990 of three Northwest Airlines pilots who had flown a jetliner with 91 passengers on board while intoxicated. Fortunately, the plane landed without incident. Two hours after the flight ended, the blood alcohol content [BAC] of the crew's captain was 0.13 percent. It was only because airport authorities were able to test under Minnesota law that the pilots were found to be legally intoxicated.

The inspector general of the Department of Transportation has reported that 10,300 active, FAA-certified airmen had their driver's licenses suspended or revoked for driving while intoxicated between 1980 and 1987.

During 1990, the first year that private sector drug testing was conducted under DOT's aviation drug testing rules, 120,642 drug tests were conducted and 571 airline workers tested positive—178 in random tests.

With respect to the commercial motor carrier industry, in 1990, the National Transportation Safety Board [NTSB] announced the results of a 1-year study of fatal truck crashes in eight States. The NTSB found that 33 percent of the truckdrivers who were killed in these crashes were drug or alcohol impaired.

These threats to public safety are why the U.S. Supreme Court has found testing programs to be within the limits of the Constitution—Federal Railroad Administration postaccident testing of railway workers, FAA testing of persons holding safety-sensitive positions in the aviation industry and U.S. Customs Service drug testing requirements for employees seeking promotions.

Moreover, the Court has let stand several appeals court rulings including one upholding the constitutionality of the DOT internal random drug testing program for those agency employees in safety-sensitive positions.

The fact is that large numbers of transportation employees work in an environment with little, if any, direct supervision. A strong deterrent, such as the threat of being detected and sanctioned for drug and alcohol use is, therefore, a necessity.

We rely upon the vigilance of trained employees to remain alert to occurrences that might endanger our safety. Those who drink alcohol or use illegal drugs simply have no business holding a sensitive travel or public-safety job through which they assume responsibility for innocent lives.

Mr. Chairman, the presence of alcohol and illegal drug use in the transportation industry poses far too serious a threat to ignore. Drug and alcohol testing is the only method we have to reasonably ensure that transportation professionals will not use drugs or alcohol.

The fact is that random testing works. Since the Department of Defense instituted random testing, drug use has decreased 82 percent—dropping from 27 percent in 1980 to 4.8 percent in 1988. The Coast Guard started random testing in 1983 and has been a drop in drug use from 10.3 percent to 0.41 percent in 1990.

Further, the public supports testing. A recent Gallup Poll found that 80 percent of all Americans surveyed favored testing of those in public safety positions. Moreover, this bill will require rehabilitation programs that give employees the opportunity to come forward and get help before they are identified through testing as a drug or alcohol abuser.

This legislation is identical to S. 676, introduced by my colleagues, Senators HOLLINGS and DANFORTH. The Hollings-Danforth legislation has passed the Senate 11 times since it was first introduced in 1987. Unfortunately, the House has been consistently denied the opportunity to speak on this serious issue.

Mr. Chairman, the need for this legislation is obvious and the time for action is now. Enactment of this legislation will strengthen efforts already underway in the transportation industry. The potential for disaster created by those who abuse alcohol and illegal drugs while employed in safety sensitive transportation positions mandates that we do everything we can to eliminate the cause of the threat—before more innocent lives are lost. I urge my colleagues to consider the importance of this issue and join me in this effort.

1991 OUTSTANDING COMMUNITY OF PENNSYLVANIA

HON. THOMAS J. RIDGE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. RIDGE. Mr. Speaker, it is a great pleasure of mine to extend my personal congratulations to this year's recipient of the Outstanding Pennsylvania Community Award, Titusville, PA.

Titusville has been selected from an outstanding field consisting of 2,750 cities, boroughs, and townships from the beautiful Commonwealth of Pennsylvania. The Pennsylvania Chamber of Business and Industry has long recognized the key roles played by local communities across the commonwealth in the economic development of the State. Titusville has epitomized this role and has truly earned this auspicious award.

Titusville has great reason to be proud. The community has experienced all facets of growth and development, while surviving depression and troubled economic times. It has gone from being the center of the oil producing universe in the 19th century, to an area with a few struggling industries in the 1980's, to a thriving community that is successfully preparing itself for the diversity that will be needed to survive well into the 21st century.

Titusville possesses the ability to attract and maintain new business and industry, a quality that can be attributed to its quiet, healthy rural setting. I have no doubt that it will continue to prosper as a talented and caring community.

Once again, congratulations to the city of Titusville. As is known, the Commonwealth of Pennsylvania is a beautiful, diverse and wonderful part of our Nation and it is truly an honor to receive the distinguished recognition as "Pennsylvania's Community of the Year." I send my best wishes to the community of Titusville and look forward to its very bright future.

TRIBUTE TO BRANCH 259 FIRST CATHOLIC SLOVAK UNION

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to Branch 259 of the First Catholic Slovak Union of my 17th Congressional District of Ohio. As this branch prepares to celebrate its 95th anniversary, I feel that it deserves recognition for its devotion to the community and the Catholic Union.

During the late 19th century, the Mahoning Valley and the surrounding area experienced a large influx of Eastern European peoples. With nearly a million new people of Slovak extraction in the area, there was a need to create a social and cultural society. Branch 259 quickly emerged to fulfill this cultural gap. The leadership helped to unify the Slovak peoples by building religious centers. They were responsible for the building of the Holy Trinity Church, which began construction in 1900 and was dedicated in October 1907. Perhaps the most grateful legacy that the founders left to later generations was the founding of the Holy Church, and today it stands as the symbol of Slovak brotherhood and community.

When it became necessary to consider building a new church and school, again the 259th was focal to the construction and completion of these projects. Under the watchful eye of Rev. Thomas Sofranic, the Slovak Union aided in the planning of the church and the site selection.

Lodge 259 has also distinguished itself as extremely patriotic and loyal to the values of America. One of their initial purchases was an American flag. At the time, there were only 45 States in the Nation, but the 259th still displays its 45-star flag proudly.

The branch has also been actively involved with the supreme general council of the First Catholic Union for over 30 years. Attorney Ted Macejko, former law director for the city of Struthers, has been elected to the council and represents Mahoning Valley and Branch 259 proudly. Once again, I salute Branch 259 of the First Catholic Slovak Union for their dedication to the community and to America and the values we treasure.

A TRIBUTE TO THE VOLUNTEER FIREMEN'S ASSOCIATION OF FREEPORT, PA

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. KOLTER. Mr. Speaker, it is with special pride that I rise to pay tribute to the Volunteer Firemen's Association of Freeport, PA. Comprised of the Freeport Volunteer Fire Department, the Ladies Auxiliary, and the Freeport Ambulance Service, these three groups of the association are celebrating anniversaries this year.

First organized in 1886, the Freeport VFD provided early fire protection for local residents using leather buckets to form brigades taking water from the nearby canal. Reorganized in 1916, the Freeport Firemen are now celebrating their 75th anniversary. Today, the VFD boasts over 50 men and women who volunteer their services and "put it on the line" for their community.

Since 1941, the Freeport Ambulance Service has answered the call of those in need of emergency care. Marking 50 years of emergency medical service, the Freeport Ambulance Service was the first of its kind to be established in Armstrong County. Thanks to the generosity of area residents and a well-trained staff, Freeport Ambulance is recognized as one of the finest advanced life support units in the Allen-Kiski Valley. Freeport Ambulance Service presently responds to nearly 1,000 urgent calls a year in portions of Allegheny,

Armstrong, Butler, and Westmoreland Counties.

And where would these rescue workers be without the excellent support from the Freeport Firemen's Auxiliary? Since 1951, these dedicated ladies have been there when needed. Providing assistance at the fire hall during emergencies and raising funds of equipment purchases, the Freeport Ladies Auxiliary is, this year, commemorating 40 years of selfless commitment.

Therefore, Mr. Speaker, I ask my colleagues to join me in praising the members of the Freeport Volunteer Firemen's Association and congratulate them for their respective anniversaries.

WHITNEY HIGH SCHOOL RECEIVES NATIONAL RECOGNITION AWARD

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. TORRES. Mr. Speaker, I rise today to call my colleagues attention to the fact that on September 25, 1991, the U.S. Department of Education will award, for the second time, Whitney High School, in the ABC Unified School District, the National Recognition Award. On September 22, 1991, Whitney students, faculty, and parents will celebrate this occasion with a banquet.

For the second time in 4-years, Whitney High School will receive this prestigious honor of being selected for the National Recognition Award. Whitney is 1 of 19 secondary schools in the Nation to receive this award twice. This award is the highest honor given to schools throughout the Nation, by the Department of Education.

The Whitney community has much to be proud of by this latest academic achievement. The strong parental support that exists in the community is an essential component in our young peoples education. Whitney High School continues to achieve academically and exert high ideals and high expectations.

Mr. Speaker, Whitney High School has been and continues to achieve academically. Whitney High School is an extraordinary institution representing academic achievement and high ideals. I take great pride in congratulating them in their achievement and ask my colleagues to join me in commending Whitney High School for their dedication and determination and wishing them continued success in the future.

BELINDA MASON: REST IN PEACE

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. KOSTMAYER. Mr. Speaker, Belinda Mason, a mother, a wife, and a member of the President's National Commission on AIDS, died of the disease last week.

The Washington Post described her in its obituary as "an activist who was the only member of President Bush's National Commission on AIDS who was infected with the virus * * *."

She lived in Utica, KY, and became infected with the virus in January 1987, while receiving a blood transfusion during the birth of her second child. She was diagnosed as having AIDS in October 1988. Ms. Mason was president of the National Association of People With AIDS and the founder of Kentuckiana People With AIDS, the first group in Kentucky dedicated to finding a cure for the dreaded disease.

She distinguished herself, Mr. Speaker, on two counts. First, though a member of the National Commission on AIDS, she was critical of the Bush administration for treating AIDS as a moral issue rather than a health issue. In fact, in August she wrote to the President asking him to use his influence to keep people with AIDS from being stigmatized; advice he has so far not heeded.

Ms. Mason distinguished herself not only in her policy positions, but also in her personal approach to others with AIDS. Explaining, this past summer, why the President chose her for the Commission, she said, "I was perfect, I was southern, I was white, I was articulate, and I got AIDS in a 'nice' way." Yet, in the words of Carisa Cunningham of the AIDS Action Council "She never tried to separate herself from every other person with AIDS who got it through drug use of sexual activity." She tried, Mr. Speaker, to change the face of AIDS and to some small degree she succeeded.

She refused to distinguish people by the way they contracted the disease and she urged that it not be a cause for prejudice and discrimination, but rather for love and compassion and understanding.

Her death was tragic not only because she was a mother and a wife and a daughter and a sister, but because in spite of her own tragic personal circumstances, she chose compassion over cruelty and understanding over prejudice. What an extraordinary person she must have been.

TRIBUTE TO PATRICK YOUNG

HON. MEL HANCOCK

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. HANCOCK. Mr. Speaker, Mrs. Doris Yeakey of Joplin, MO, recently called my office to relate a story about a brave young man who saved her husband's life.

Mrs. Yeakey explained that on March 1, 1988, at 5:30 a.m., Patrick Young responded to her husband's calls for help after Mr. Yeakey had fallen into a lake.

Mr. Yeakey said he "was just about ready to give up" when he heard Patrick respond to his calls. Patrick, then only 14, then rescued Mr. Yeakey with the aid of his mother.

That young man, Patrick Young, is now, appropriately, serving in our Nation's military. He is also to be married on September 19 of this year.

It is always encouraging to hear true-life stories of bravery and heroism. And it is good to know that young men of Patrick's character and courage are serving our Nation in the military.

THE DEPOSIT INSURANCE IMPROVEMENT AND TAXPAYER PROTECTION ACT

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. McMILLEN of Maryland. Mr. Speaker, as a member of the Energy and Commerce Committee, and a former member of the House Banking Committee, I have been following the banking reform legislation very closely. Furthermore, I have generally been supportive of this endeavor. I believe it is important to authorize legitimate additional powers for banks to improve their competitive position in the growing global economy.

I do have problems, however, with the way the restructuring legislation has been shaping up. We are expanding the powers of our Nation's financial institutions without effectively addressing the underlying problems of taxpayer exposure.

I had hoped that the Banking Committee would have addressed the issue of deposit insurance in a more effective manner than it did. Consequently, those of us on the Energy and Commerce Committee, are forced to place tighter restrictions and an increased regulatory burden on such affiliations so that taxpayer exposure is minimized.

Furthermore, expanded bank powers are not all they are cracked up to be. Neither the insurance industry nor the securities are very profitable at the moment. As I have said many times before, we need to be cautious to avoid the repeating the problems of the past. I, for one, do not want to revisit these issues down the road in the form of another taxpayer bailout.

Quite frankly, I am skeptical as to whether or not the reform effort will accomplish the original goals of the Treasury proposal: That of making banks more competitive, safer and less encumbered by regulation.

The real key to reform and to controlling taxpayer exposure is deposit insurance. Unfortunately, we are now faced with a legislative proposals which does not significantly change the deposit insurance system, while allowing securities firms to affiliate with holding companies—companies which own banks backed by taxpayer dollars.

To address this point, I am introducing legislation which would create a market based pricing mechanism to insure deposits above and beyond the $100,000 level currently offered by the FDIC. The original proposal was drafted to prohibit securities firms from affiliating with holding companies whose insured banking affiliate is not a narrow or core bank and which does not have deposit insurance with a market based pricing structure. Although the core bank is not essential to my bill—and not included in it—the core bank is logically consistent with the underlying goals of this legislation.

By narrowing the banking functions and by providing a sound deposit insurance system—one which infuses market discipline and minimizes the public subsidy inherent in deposit insurance—the holding company will be safe enough to allow affiliation with securities firms. Consequently, the debate over specific fire-

walls or other such provisions becomes much less important to the underlying safety of the system.

Specifically, the legislation I am introducing today would maintain current deposit coverage, but would also offer the depositor the option of buying deposit insurance in unlimited amounts for deposits in excess of $100,000—though the bank would charge market based insurance rates for that coverage. This extra coverage will be priced through a private sector mechanism.

In order to price the insurance for deposits above $100,000, the FDIC will obtain competitive bids from private insurance companies for coverage of 5 percent of the total amount of the insurance purchased on terms that put the insurance company at risk equal to the FDIC's risk.

For example, Jane Doe deposits $150,000 in ABC national bank. She has $100,000 in Federal coverage, and purchases an additional $50,000. The FDIC will lay off $2,500 to Prudential, which will set the premium at 62 basis points for banks in ABC's risk category.

The bank would collect the $310 from Jane and forward the premium to FDIC. FDIC would, in turn, forward $15.50 to Prudential. If ABC goes under, FDIC would pay Jane the full $50,000 and collect $2,500 from Prudential.

After the resolution of ABC is complete and the recovery cost is known, the FDIC will forward the recovered amount to Prudential. If, in this example, 50 percent is recovered after ABC's resolution is complete, Prudential would receive a check for $1,250.

The driving force behind this idea is the need to address the deposit insurance issue, and particularly the need to infuse market forces into the pricing of deposit insurance. Obviously, this would cut both ways. For instance, there are many banks in Maryland which would qualify for insurance at a rate of 5 or 10 basis points. Under the foregoing example, this would mean an insurance fee of $25 to $50 for extended coverage as opposed to the $310 fee in the example. Thus, the safer the bank, the more attractive it will be for such deposits.

Currently, we have a de facto too-big-to-fail policy where this extra $50,000 is insured at taxpayer expense. The legislation I am introducing is the first step toward weaning banks off this Federal subsidy, and beginning the transition to a market-based pricing system for deposit insurance.

This theme exemplifies the kind of changes which need to occur throughout the banking industry. There is a role for regulation and for insurance. But the market handles many problems more efficiently, and will address potential problems before they really get serious. Finding the right balance is crucial. The restructuring of the financial industries demands that a similar balance be found. One which creates new opportunities for banks, but uses market forces to keep the new powers in check—avoiding a situation where the associated risk is pushed off to the United States.

THE REWARDS OF SMALL TOWN LIVING

HON. JOHN T. MYERS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. MYERS of Indiana. Mr. Speaker, Attica, IN, an attractive, small community will celebrate its 125th year of existence this Sunday, September 22. It will do so with the ceremony, emotion and joy with which only a town like Attica can commemorate a long and happy life.

There will be all the usual proclamations by State officials, including Indiana's Governor, who urges "appropriate citizen recognition and participation in this celebration and rededication to the fundamental tenents of American freedom which continue to be unique and unmatched anywhere in the world."

There will be parades and banquets. The women and men who served our Nation so well in Desert Shield and Desert Storm will be honored; their latest Song of Freedom will be underscored by a military band from Chanute Air Force Base.

Nearly as old as the community itself is Margaret Nave Johnson, who on September 14, entertained dancers, bands and well wishers at her Monroe Street home. Her longevity attests amply to the temporal benefits to be derived from life in a truly decent small community.

Attica's football fans can join their Attica High gridiron warriors on a September 21 trip to the Hoosier Dome in Indianapolis for a contest with nearby Fountain Central.

May I paraphrase Daniel Webster who, arguing a famous suit on behalf of his alma mater, Dartmouth College, noted "it is a small place but there are those of us who love her." Webster might well have been speaking of Attica, whose anniversary reminds us that there is much to be derived from the pleasures of small town living. Attica and her people express and represent the best of those values. It is most appropriate that a celebration of these small town values pauses to incorporate a "hurrah" for the selfless men and women who so recently risked life and limb in the Middle East—for those same values that have always underpinned the Atticas of our land. The tree of freedom has always grown softly, slowly and well in these places. The values of such communities are interwoven throughout the fabric of America herself and remain our finest national "export" in time of war or peace.

Happy Birthday, Attica, her citizens and her heritage.

IN RECOGNITION OF COX CABLE OF HAMPTON ROADS

HON. OWEN B. PICKETT

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. PICKETT. Mr. Speaker, I rise today to commend Cox Cable of Hampton Roads for the outstanding record of public and community service that they have established in serving the people of southeastern Virginia.

The company and its employees have worked hard to be a good corporate citizen. Few organizations or individuals in our region have contributed more to the civic and cultural betterment of our community. In 1990 alone, Cox donated air time for community-based programs worth more than $3.8 million. Included were feature profiles of volunteer leaders in Hampton Roads and programs designed to inform area residents about everything from local civic league developments to the availability of important public services. In showcasing the achievements of volunteer leaders in our community, Cox Cable has strengthened the commitment to public and community service that is so important to our national life.

Cox has also initiated the Cox Naval Affair Project [CNAP], which offers programs on matters of particular interest to the thousands of Navy families living in Hampton Roads. These programs were immensely popular earlier this year when so many of our people were deployed to the Persian Gulf. Cox Cable has also committed $60,000 for audiovisual activities in the local public schools.

The local director of communications for Cox Cable, former Norfolk Mayor Irvine Hill, has worked tirelessly on these civic, educational, and cultural programs, as well as on many other projects that benefit our region.

The infectious spirit of community service that is present at Cox Cable has motivated the company's employees to form groups that work in food banks, in our local Adopt-A-School Program, and in the Make-A-Wish Foundation.

Mr. Speaker, in recognition of these and other public service achievements, the Virginia General Assembly adopted a resolution earlier this year acknowledging the contribution made by Cox Cable of Hampton Roads to the civic, educational, and cultural development of the growing community that it serves. I wish them continued success in these endeavors.

THE OLDER AMERICANS ACT

HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. ATKINS. Mr. Speaker, my remarks today are to congratulate the Congress for its overwhelming support in passing the Older Americans Act on Thursday, September 12, and to recognize the many wonderful programs established by this legislation. Since its first passage in 1965, the Older Americans Act has provided millions of elderly Americans a variety of daily supportive services ranging from in-home nursing care and home delivery of meals to legal assistance and community services jobs programs for low-income older workers. Not only do these services provide daily assistance for basic needs that you and I might take for granted, but they allow older Americans to maintain a sense of security and dignity in their lives.

Americans are a compassionate people who believe in caring for those in need. The Older

Americans Act is clearly an example of the good that Congress can do to create a healthier living environment for all Americans, in particular, older Americans who have paid their dues for so many years.

The Older Americans Act will continue to provide funding for nutrition programs and in-home care. The act has also taken significant steps in the area of respite care for those families. who provide around the clock care to a frail elderly family member. The passage of the Older Americans Act assures families that the Federal Government is there to assist them in their efforts to keep an elderly family member at home, avoiding the need for nursing home care. This new provision provides a breather to the home care giver so that he or she may continue to lead a productive life. The Older Americans Act also provides funding for demonstration projects for multigenerational activities, enabling senior citizens the opportunity to make a positive impact on our youth in the areas of child care, education, and juvenile delinquency.

Through the Older Americans Act, a network of 655 area agencies has developed across the country. These agencies have established an even larger network of local community organizations and church groups working together to provide basic services to the elderly. The Federal dollars Congress appropriates for the Older Americans Act go far beyond $1.3 billion. It would be nearly impossible to measure the value of all the volunteer hours given by both young and old. It would be nearly impossible to measure individual expenses for gasoline, and wear and tear on personal automobiles used to deliver "meals on wheels." If the Federal Government had to pay for all those hours and out of pocket expenses, the costs would be astronomical.

The Older Americans Act will have a direct impact on my State of Massachusetts. In Massachusetts, roughly 33,000 needy elderly citizens receive assistance every month from a dedicated corps of volunteers. In the Merrimack Valley, made up of 23 cities and towns, 1,500 meals are provided daily; 900 of which are home delivered. In Framingham, the Baypath Senior Citizen Services Center serves roughly 1,260 congregate meals and home delivers 1,635 meals weekly. The State, along with all the local community organizations and church groups, would not be able to reach all these people if there were no Federal assistance.

Over the last few years, Massachusetts has seen its elder services budget cut by as much as 25 percent. These cuts have a human face—older men and women who receive less and less basic care and support. Federal funding through the Older Americans Act will bolster elder services in Massachusetts in the wake of substantial State budget cuts. This Federal money will also help the State provide additional services to some of those people who would not otherwise receive them.

Mr. Speaker, it was with pride and commitment that I cast my vote for the Older Americans Act and I congratulate the Congress for its passage of this legislation. I also wish to commend the many volunteers and administrators who make these programs work. Their time, caring, and dedication in providing these services on a daily basis underscore the spirit of this legislation.

GULF '92

HON. GREG LAUGHLIN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. LAUGHLIN. Mr. Speaker, today I am introducing legislation that designates 1992 as the year of the Gulf of Mexico. I grew up on the Gulf of Mexico and throughout my life have come to appreciate it for its many values. However, the gulf's resources benefit people far beyond its borders.

The Gulf of Mexico produces 40 percent of the Nation's seafood. The gulf produces 90 percent of U.S. offshore oil and gas. In fact, revenues from Outer Continental Shelf oil and gas leases in the gulf rank second only to the Federal income tax as a revenue source for the U.S. Treasury. Gulf ports handle 45 percent of U.S. import-export shipping tonnage. And the gulf draws millions of tourists from all over the country to fish and enjoy its beaches.

Unfortunately, many people do not realize that the gulf has been environmentally impacted by activities occurring all over the country. Two-thirds of the continental United States drains into the Gulf of Mexico. And the environmental quality of the gulf is beginning to deteriorate. We are losing wetlands, estuaries, and fisheries at an alarming rate.

It is clearly in the best interest of all Americans to preserve and enhance the natural and economic resources of the Gulf of Mexico. I hope my legislation raises the awareness of the need to preserve this national treasure.

WORLD'S LONGEST PENCILS MADE IN SHELBYVILLE, TENNESSEE

HON. JIM COOPER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. COOPER. Mr. Speaker, this past weekend I attended a remarkable event in my hometown of Shelbyville, TN. Shelbyville is known as "Pencil City, USA" because so many manufacturers of writing instruments, imprinters, and suppliers are located there.

The event last Saturday was the kickoff for Bedford County's 1991 United Way campaign. The highlight of the morning was the production of two 1,091-foot long pencils by the workers at Empire Berol USA, one of Shelbyville's leading pencil companies. These are believed to be the longest pencils ever made in the world.

One pencil was carried to the town square by 140 volunteers as it came off the production line. Despite its enormous length, this pencil was flexible enough to be curved and twisted because it was made by Empire's unique "E–71" process. At the normal 8-inch length, however, the pencil is virtually indistinguishable from pencils made of wood.

The other 1,091-foot pencil, which had been manufactured a few days before, was mounted in a tight spiral on display board at the Empire plant.

If either of these pencils were used to make a continuous mark, that mark would be 93,046 miles long, nearly four times the Earth's circumference.

As a witness to this event, I can assure you, Mr. Speaker, that these pencils were incredibly long. They were carefully measured by Frank Robinson of Stanley Tools, who was assisted by our local Judge Lee Russell. Their documentation will be sent immediately to the Guinness Book of World Records for possible inclusion.

These pencils were truly amazing, but more important than the pencils' length was the depth of our community's generous spirit. In 1990 the United Way of Bedford County raised nearly $47,000, which resulted in grants to 18 local health and human service agencies.

For 1991, our United Way campaign cochair Karen Thrasher has announced a fund-raising goal of $82,600. At the campaign kickoff Mr. Bill Bohall explained the process by which last year's campaign funds were distributed. Campaign cochair Bob Green and Mayor Henry Feldhaus honored the local pencil industry and presented plaques to Empire Berol USA Vice-president Roger Thomas recognizing the company's contribution to the United Way campaign effort.

The United Way of Bedford County is a partner organization within the United Way of Middle Tennessee. I am extremely proud of their effort during the first year of operation, and I wish them continued success for the future.

TRIBUTE TO HONORABLE CALVIN P. SCHMIDT

HON. C. CHRISTOPHER COX

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. COX of California. Mr. Speaker, I rise today to pay tribute to the memory of the Honorable Calvin P. Schmidt, one of California's best-loved judges and Orange County's longest sitting jurist.

Judge Schmidt was known as "the people's judge" because of his love for his community and his humorous and sensitive—but firm—dispensation of justice. Because of his empathy with ordinary people, he preferred to remain on the municipal court bench, rather than be elevated to the superior court. There, he could deal directly with the many individuals who represent themselves without counsel, as is the norm in that court. His efficiency, humility, and sense of fair play were a model of humanitarian court administration.

While acting as a board member of the Girl Scouts, both nationally and locally for more than 25 years, Judge Schmidt was instrumental in acquiring and developing summer camp facilities and programs to attract young women around the country. He also helped to establish a successful youth diversion center in Orange County to counsel families whose children were in trouble with the law, while at the same time serving on the boards of dozens of

other organizations, many devoted to youth services and health care.

A past president of the California Easter Seal Society and judge adjutant to the national board of the Navy League, Judge Schmidt also chaired the California State Refugee Resettlement Committee, served on the board of the Hoag Hospital 552 Club, and skippered the Commodores Division of the Newport Harbor Chamber of Commerce in Newport Beach. He was also a member of the California Judges Association, the American Bar Association, and the Orange County Bar Association.

In keeping with his respect for all human beings, regardless of creed or social status, Judge Schmidt devoted many hours to the National Council on Alcoholism, supported numerous treatment programs, and often personally followed the recovery of alcoholics who appeared in his courtroom. He regularly received testimonial letters from individuals who credited their recovery to his creative sentencing and personal interest. It was not unusual for "Judge Cal" to make arrangements for an indigent defendant to stay overnight at a local hotel, rather than to spend the night on the street.

Judge Schmidt was born and raised in Glendale, CA. He received his baccalaureate and law degrees from the University of Southern California. After a tour of duty in Morocco with the Air Force, he practiced law in Los Angeles and Orange County from 1957 through 1966, when he was appointed to the bench by former Gov. Edmund G. Brown. He is survived by his daughter, Tracy Lynn Schmidt, of Palo Alto, CA.

Mr. Speaker, Judge Calvin P. Schmidt exemplified the highest ideals on which this country was founded: honesty, kindness, loyalty, humor, and charity. Although he is deeply missed by family and friends alike, his lessons will inspire us to serve our country honorably and decently. I can think of no better tribute to his gracious and generous spirit.

THE C–17 TRANSPORT

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. ROHRABACHER. Mr. Speaker, the new U.S. Air Force C–17 transport plane, which made its maiden voyage on September 15, 1991, provides extraordinary capabilities not currently available in the military's fleet.

For starters, the C–17 will enable the Air Force to transport all types of today's Army equipment from the United States to the most remote airfields. The C–17 will allow the direct transport of troops and equipment to major airbases, instead of having to transport them overland or in the C–130's. Troop fatigue, costly time delay and equipment wear associated with moving overland will become a thing of the past.

In battle situations where runways are nonexistent or have become cratered, the C–17 is capable of performing an airdrop of large equipment needed to support troops.

In any forward battlefield, there is competition for space. The C–17 is agile and compact, which allows great ground maneuverability. Also, the C–17 loadmaster can reconfigure the airlifter's cargo compartment in 1 hour or less, in flight, making it possible to carry passengers on one trip, then shift the mission to cargo or airdrop for the next.

While the C–17 will excel in delivering equipment to the soldiers, it also can transport the wounded to medical services. The C–17's on-board Med-evac capability would allow for immediate evacuation of wounded troops. As many as 48 litters can be installed in the plane if necessary.

Mr. Speaker, these are all significant achievements in our military's aviation capabilities. While we marvel at the advances of our military, let us not forget the company and its employees who have made it all possible—McDonnell Douglas.

Numerous McDonnell Douglas facilities, as well as subcontractors who produce parts for the C–17, are located in my congressional district. When the C–17 took its maiden voyage from Long Beach, CA, out over the Pacific Ocean, and finally touched down at Edwards Air Force Base, thousands of McDonnell Douglas workers and neighbors were thrilled to see, at last, the fruits of their labor.

Hats off to all who contributed to this magnificent achievement.

IN HONOR OF THE STERLING HEIGHTS FIREFIGHTERS LOCAL 1557 RETIREES

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. HERTEL. Mr. Speaker, I rise today to pay special tribute to four members of the Sterling Heights Fire Fighters Union, who are retiring after many years of dedicated service to the community. Lt. Larry Furlow, Lt. William J. Miller, Capt. Merle Newberry, and Lt. Gerald Zupan will join with family and friends this Friday, September 20, 1991, to commemorate their careers and contributions to the people of Sterling Heights.

Lieutenant Furlow's retirement will mark nearly 24 years of service to the Sterling Heights Fire Department. Lieutenant Furlow was hired as pipeman on March 13, 1967, and over the course of the next two decades, his career has been distinguished. Described as professional, enthusiastic, and resourceful, the correspondence and letters in Lieutenant Furlow's personal file illustrates his dedication as a fireman. Among his every day duties, Lieutenant Furlow used his knowledge and skills to instruct employees on the proper use and maintenance of ropes and to improve training methods. His efforts certainly helped ensure the maximum safety for all fire department employees.

Lieutenant Furlow's career is also marked by awards and achievements. Included is an award for perfect attendance from July 1, 1988 through June 30, 1989, and a commendation from the chief, recognizing his efforts in the construction of stretchers for the department. Lieutenant Furlow was named employee of the month for May 1988 and was promoted to lieutenant on November 21 of the same year. It is my honor to join with his wife, Sherry, and his children, David, Cynthia, and Dawn, in saluting Larry Furlow for his outstanding career.

Lieutenant William J. Miller first entered the force on September 17, 1965. Over the course of his 26 years of service, Lieutenant Miller illustrates the quintessence of dedication and well rounded service to the fire department. Lieutenant Miller received many thanks from citizens and other members of the force for his willingness to offer his time to help others, whether it was technical assistance or to fill in for other departments so their men could attend a funeral for a fallen brother. Lieutenant Miller's antique fire truck was also a popular attraction both inside and out of Sterling Heights and he received many thanks for his willingness to donate his time.

Throughout his career, Lieutenant Miller has been recognized for his professional expertise. He received numerous letters of appreciation for his work toward continuous repairs of various firefighting equipment and providing regular maintenance on all equipment and tools. In 1979, Lieutenant Miller completed the Air-Pak field level maintenance course given by Health/Safety Products of Scott Aviation, and was named employee of the month for August 1986.

Capt. Merle Newberry, known to many as "Smokey the Bear," came to the force in June 1966. His distinguished career includes a promotion to sergeant in July 1974, perfect attendance from July 1988 through June 1989, and a promotion to captain in September 1990. His many duties involved testing, repairing, and maintaining fire hoses, assembling listings of medical supplies and equipment, and overseeing supplies at station 4.

Captain Newberry received many letters of commendation and appreciation over the course of his career for assistance at fires and medical emergencies, including a letter from Detroit Edison for exceptional cooperation and professionalism during an incident in September 1988, when two lineman were seriously injured when they came into contact with a high voltage conductor. Captain Newberry is married to Santina and has seven children. I join with them in saluting Merle for his long and dedicated service to the fire department.

Finally, Mr. Speaker, I rise today to honor Lieutenant Gerald Zupan, a firefighter serving for more than 20 years with the force. Lieutenant Zupan, who retired in February 1991, joined the Sterling Heights Fire Department in 1969. He served for several years before being promoted to lieutenant on March 10, 1989.

Lieutenant Zupan was very much involved with educational programs in schools and with adult groups. His dedication to helping the public learn about fire safety earned him many letters of appreciation and commendation. Gerald Zupan and his wife, Pat, have four children.

Mr. Speaker, it is my highest privilege today to pay tribute to these four men. Their career epitomizes the debt we all owe to the sacrifices and bravery displayed by the men and women of our firefighting forces. I join with their family and friends in offering my most sincere best wishes for a long and prosperous retirement.

TRIBUTE TO A. WILLIAM BAILEY, JR.

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. FIELDS. Mr. Speaker, I rise today to pay tribute to A. William Bailey, Jr., who has just completed his term as president of the Independent Insurance Agents of America [IIAA]. Bill Bailey is a citizen of Waco, TX, where he is chairman of Bailey Insurance and Financial Services.

This week in Hawaii, Bill will step down from his elected post of president of IIAA after many years of distinguished service to that association. I congratulate him on a job well done. During his years with IIAA, Bill has served in a variety of capacities, including president of the Waco Association of Independent Insurance Agents, director of the Texas State Association, State National Director, and chairman of the Government Affairs Committee of IIAA.

Many of my colleagues know Bill Bailey for the numerous times he has testified before congressional committees. Bill has represented the 220,000 members of his association with distinction, providing straightforward and articulate information on the concerns of small business people across the country. Most recently, Bill testified before the House Banking Committee and the Federal Reserve Board, and as usual, his comments were informative and compelling.

I have had the pleasure of knowing Bill for a number of years in another capacity since we both serve on the Baylor University Board of Regents. This service is just one more example of the time he is willing to donate to his community, his State, and his faith. He has also served as president of the Waco Rotary Club, the Waco Business League, and the local United Way. It is truly an exceptional man who builds a successful business, contributes his time to a professional association, serves on numerous civic and community organizations and still has time to be an advocate on a national scale.

I know that Bill will continue to be active on behalf of independent agents and will remain a leader in community activities. But, this week I hope he will enjoy this paradise of Hawaii with his lovely wife, Roberta. I congratulate my friend Bill for a job well done.

RTC FUNDING

HON. MARGE ROUKEMA

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mrs. ROUKEMA. Mr. Speaker, today I am introducing legislation which will provide an additional $80 billion in loss funds and working capital for the Resolution Trust Corporation and would incorporate several structural changes to the operation of the RTC which I believe will help move the resolution process forward on an expedited basis.

These funds and changes are necessary and will allow the RTC to continue the difficult and costly process of cleaning up the savings and loan debacle.

Last week, the Financial Institutions Subcommittee of the Banking Committee heard testimony from both the Treasury Department and the RTC Oversight Board on the urgent need for this funding bill. Admittedly, this request should have been formally submitted to the committee by the Oversight Board and the Treasury Secretary earlier. But there is no denying that the RTC will be short of working capital by the end of this year and will need these funds.

In our hearing last week, Chairman William Seidman stated that the RTC expects to resolve some 85 additional thrift institutions by the end of October and thus will have expended nearly all of the funds previously approved.

Unnecessary delay in moving forward with this legislation will force the FDIC to withhold action on numerous insolvent thrifts and delay the RTC's ability to develop plans to try and sell assets.

Since the delay we encountered earlier this year in enacting a funding request submitted around this time last year resulted in a daily cost of several million dollars, it is no wonder the American taxpayer is screaming about the ultimate cost of this effort.

Now for those of my colleagues who simply do not wish to support any RTC funding bill, I can only ask what is their alternative. This cost of cleanup is not something new. We debated this matter at length when we considered the FIRREA bill 2 years ago. At that time we made no illusions that somehow this effort was going to be inexpensive. It was clear from the beginning that the S&L cleanup would cost the American taxpayer.

Yes, the S&L debacle was an indictment of a deregulation frenzy that went awry. And yes, it was a sorry commentary on our regulatory process and even on our role as congressional overseers. But that is history and we must now face the future.

As the Washington Post editorial stated earlier this year, the money we are expending today is buying fairness and is providing financial and economic stability. Without these funds, depositors would lose all their money. Is this the alternative we are prepared to offer for our reluctance to fund the RTC.

Contrary to what some may think the RTC is not some never-ending black hole into which our precious resources are being dumped. In fact, Treasury Under Secretary Robson testified last week that he felt this would in fact be the last funding request the RTC would have to make of the Congress.

Since its inception, the RTC has taken over some 500 troubled thrifts and has sold or liquidated over 350 of these. Within the total of thrifts sold or merged, it would cost the Government billions just to pay off the depositors of those failed institutions. But because of RTC actions, this expense was not necessary to a large degree.

In other words, the RTC works, maybe not perfectly or as effectively as some would want. But it does work and it does need funding.

Finally, this bill recommends several structural changes. Most importantly, it authorizes the Oversight Board to appoint a new CEO for the RTC. This CEO would replace the FDIC as the overseer of the cleanup and would result in the concentration of the day-to-day decision making for the RTC in one responsible and dedicated individual. I can only suggest that while many would prefer to stick to a clean capitalization bill, I believe these modest changes should be made.

Mr. Speaker, this is no time to interject politics and pet policies into such an important piece of legislation as this.

I urge my colleagues to support an RTC funding bill now so we can get on with the job of cleaning up the S&L mess.

BUSH'S BIGGEST SHAME

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. EDWARDS of California. Mr. Speaker, President Bush and his administration have opened yet another front in their war on abortion rights. This administration's all-but-endorsement of Operation Rescue's tactics is a disturbing occurrence.

In following a political agenda, the Bush Justice Department relies on a questionable legal technicality in refusing to protect those exercising their legal options. As Michael Kinsley writes in a Washington Post editorial "Bush's Biggest Shame," September 12, 1991, "Is it really possible that Federal judges lack the authority to protect citizens from organized mobs systematically denying them the ability to exercise their constitutional rights?" Abortion is a constitutionally protected freedom, but Operation Rescue continues to terrorize anyone and everyone involved in the process.

I recommend the following article to the attention of my colleagues in hopes that the constitutional rights of those seeking medical advice and treatment are protected by those who are charged with doing so.

[From the Washington Post, Sept. 12, 1991]

BUSH'S BIGGEST SHAME

(By Michael Kinsley)

One of the most mendacious chapters of the Reagan administration was the Bob Jones University episode of 1982. That was when the Justice Department reversed a longstanding government policy denying tax-exempt status to private schools that exclude blacks. Although the reversal was in response to a campaign by southern conservatives, the administration piously insisted that its action implied no endorsement of tax exemptions for racist schools. They would sincerely like to deny these tax exemptions, Reagan officials maintained, but the law gave them no such authority. The Supreme Court soon ruled otherwise, 8–1.

The current controversy over Operation Rescue is the Bush administration's Bob Jones case. As in that earlier disgrace, the president and his associates are pandering to extremists while pretending with wide-eyed innocence that they are merely upholding the technicalities of the law.

Operation Rescue is the antiabortion group that physically shuts down abortion clinics by blocking the entrances, lying under cars, surrounding and heckling patients and so on. Last month in Witchita, Kan., Operation Rescue shut down three abortion clinics. A

federal judge ordered the group to stop and threatened to have its leaders arrested if they didn't. The Bush Justice Department then entered the case on the side of Operation Rescue, saying Judge Kelly had no authority to make this order.

Attorney General Richard Thornburgh, on his way out the door to run for the Senate, claimed the Justice Department action had nothing to do with abortion, which is still for the moment a constitutional right, or with support for Operation Rescue's tactics, which are uncontestably illegal. After a day of bad press, Bush even remarked that protests "ought to be done within the law." But what good is the law if it can't be enforced, and what good are constitutional rights if they can't be protected?

The power of federal judges to restrain Operation Rescue will be debated at the Supreme Court next month in Bray v. Alexandria Women's Health Clinic. In this case, too, the Justice Department has intervened on the side of Operation Rescue. At issue is a long tangle of constipated legal prose known as the Klu Klux Klan Act of 1871. The Klan Act was originally intended to authorize lawsuits against Klan persecution of blacks in the Reconstruction South, but it speaks more generally of conspiracies to deprive "any person or class of persons of the equal protection of the laws."

In their briefs, Operation Rescue and the Justice Department offer half a dozen reasons why the Klan Act may not apply in this situation. Not all of them can be dismissed out of hand. There is a question whether the group being oppressed in this case should be defined as "women" or as "women seeking abortions," and whether the latter category is acceptable. One side says: Not all women want abortions, or even support abortion. The other side replies: Not all blacks tried to vote back in 1872, but the law protected those who did.

The Justice Department emphasizes, as if it were a virtue, that Operation Rescue does not merely aim to oppress women: "Petitioners direct their actions at anyone, whether male or female, who assists or is involve in the abortion process—doctors, nurses, counsellors, boyfriends, husbands and family members, staff and others." Oh well, in that case go right ahead.

There is a question whether the law, which refers to suing for damages, authorizes judges to issue injunctions as well. Since most constitutional rights protect you only against deprivation by the government itself, not by private individuals, there is a question whether this limit also applies to the Klan Act. Lower courts have avoided this particular complication by holding that Operation Rescue is violating not the right to choose abortion but the right to interstate travel, which does not require government involvement. But then there is a question whether the mere fact that many clinic patients come from out of state is enough to establish that this right is being violated.

My own conclusion, after reading the briefs, is one of impatience. Is it really possible that federal judges lack the authority to protect citizens from organized mobs systematically denying them the ability to exercise their constitutional rights? If so, the law ought to be changed.

President Bush does not believe in abortion rights, or claims not to. But as president he cannot openly endorse mob action to deprive people of rights that are still the law of the land. So he and his administration resort to technicalities The solution is simple. The Ku Klux Klan Act is only a statute, not a constitutional provision. Congress ought to pass a new statute, stripped of all the complications. If Bush were presented with the bald proposition, in the form of a bill, that the federal government ought to be able to protect people in the exercise of their federal constitutional rights, would he dare to veto it? If the Democrats were a bit faster on their feet, they could have a bill like this on Bush's desk in a week. It would leave him in a bind he truly deserves.

THE AMERICAN SAMOA STUDY COMMISSION ACT

HON. ENI F.H. FALEOMAVAEGA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. FALEOMAVAEGA. Mr. Speaker, I rise today to introduce the "American Samoa Study Commission Act."

For several years, I have been concerned that as the only unincorporated, unorganized territory of the United States, the actual political status of American Samoa is not known. This problem is compounded because what is now known as the Territory of American Samoa was really ceded to the United States by two separate treaties.

As Samoa and the other territories continue to explore new options in their relationships with the United States, it seems crucial to me that Samoa's current status be known and well defined.

Today's legislation will establish a federal commission to provide a comprehensive review of fundamental issues affecting Samoa's interests.

OREGON EMPLOYMENT DIVISION VERSUS SMITH: A TRESPASS OF RELIGIOUS FREEDOM

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. ANDERSON. Mr. Speaker, on April 17, 1990, the Supreme Court handed down an opinion in Oregon Employment Division versus Smith that radically undercut the fundamental right of each and every American to the free exercise of religion as embodied in the First Amendment to the Constitution. In the words of the dissent in the Smith decision, this "holding dramatically departs from well-settled First Amendment jurisprudence . . . and is incompatible with our Nation's fundamental commitment to individual religious liberty." The free exercise clause of the Constitution reads, "Congress shall make no law . . . prohibiting the free exercise [of religion.]" Through the 14th amendment this clause is applicable to the States. Through the Smith decision, the Supreme Court has misread the first and foremost amendment of our Bill of Rights. Now, a coalition of religious and civil liberties groups that reaches across all political and ideological lines has assembled to overturn the Smith decision's abridgement of this constitutional right. I rise to announce my commitment to this effort as reflected in H.R. 2797, the Religious Freedom Restoration Act, introduced by my colleague STEPHEN SOLARZ of New York.

The Smith decision seems to rest on a small and isolated matter; the denial of unemployment benefits to two Native American church members fired from their jobs for their use of peyote in a native American church ritual. Oregon bans the use of peyote as a schedule I controlled substance, and denies unemployment benefits to those discharged for work-related misconduct. While not challenging the job dismissal, these two men did claim that the Oregon law prohibiting their use of peyote as part of church ritual infringed upon their free exercise rights. Thus the constitutional argument was joined.

The right to practice one's religion is intrinsically linked to the constitutional right of unfettered religious belief. This connection and right is embodied in longstanding legal precedent. But the freedom to act on one's belief can also conflict with an obvious need for society to regulate conduct. Like all rights, religious freedom is not an absolute. As Justice Burger wrote in Wisconsin versus Yoder, "the very concept of ordered liberty precludes allowing every person to make his own standards on matters of conduct in which society as a whole has important interests." Indeed, the history of the Court with regard to the free exercise clause is a continuous balancing act, replete with cases where the interests of an ordered society are weighed against an individual's right to religious sanctity. Not only have laws that are specifically intrusive toward religion been struck down, but generally applicable laws, which are seemingly neutral toward religion on the surface and dedicated to other ends, have also been found to be unconstitutionally intrusive in specific instances.

In the Yoder case, in which an Amish family did not wish to comply with a State compulsory education law for religious reasons, the Court declared that, "only those interests of the highest order and those not otherwise served can overbalance legitimate claims to the free exercise of religion." Generally applicable laws which were found to be burdensome to the Free Exercise Clause could only be justified if the Government could prove a compelling interest in the law. This was set forth in the landmark Sherbert versus Verner case which also turned on the extension of unemployment benefits for a member of the Seventh-day Adventist Church who would not work on Saturdays as this day is regarded as the Sabbath by her religion.

With the Smith decision, this traditional balancing act has been rejected in favor of a radical new principle that no compelling interest need be proved if a challenged law is not targeted specifically at religious practice. The new law created by Smith states:

> The Clause does not relieve an individual of the obligation to comply with a law that incidentally forbids (or requires) the performance of an act that his religious belief requires (or forbids) if the law is not specifically directed to religious practice and is otherwise constitutional as applied to those who engage in the specified act for nonreligious reasons.

In clearer terms, any religious practice can be infringed upon if it conflicts with any general, nonspecific law. Incomprehensibly,

against all original intent of the Founding Fathers and the history of American law, Smith allows majorities to trample on individual religious freedoms without any recourse to the courts for constitutional protection.

If the Smith case had followed precedent, a majority of the Court could have found the State of Oregon had an overriding and compelling interest in restricting the trade and use of peyote, and therefore come to the conclusion that no religious freedom exception could be made for these two men. The answer to the question: "will exempting respondents from the State's general criminal prohibition 'unduly interfere with fulfillment of the governmental interest'?" could then have been "yes" and precedent would have been preserved. But the majority of the Court didn't even want that question asked, believing the Court has no place in limiting the will of the State even if that will may impinge upon the constitutional rights of these two men.

Somehow the Rehnquist Court, in an opinion written by Judge Scalia, came to the conclusion that if an exception to Oregon's drug laws were made for this religious case an "extraordinary right to ignore generally applicable laws that are not supported by 'compelling governmental interest' on the basis of religious belief" would be created. For fear that this "extraordinary right" would be created, the Smith decision allows no limited exceptions even if the religious practice which conflicts with State law is central to the practice of that religion. Judge Scalia notes:

> Nor could such a right be limited to situations in which the conduct prohibited is "central" to the individual's religion, since that would enmesh judges in an impermissible inquiry into the centrality of a particular beliefs or practices to a faith.

While the Court's desire to refrain from the examination of what is and what is not "central" to any particular religion is natural, the illogical refusal to examine any State infringements on religious practices is disastrous to those religious practices which may not conform to general law and do not have the popular support to find politically granted exceptions. Though an unlikely example due to our society's majority Judeo-Christian composition, the drinking of sacramental wine may be forbidden to minors because of State age-related liquor laws, though this sacrament is clearly central to the teachings of the Christian church.

Indeed, the law must weigh restrictions on our constitutional freedoms to protect societal order. Heretofore, this process of weighing would seem to have forced the Court to judge the importance of the religious practice, and then again weigh the importance of protecting that practice against the need of the larger society to regulate conduct for the betterment of all citizens. What Justice Scalia would like to do is unburden the Court from that role. He writes,

> It is no more appropriate for judges to determine the "centrality" of religious beliefs before applying a "compelling interest" test in the free exercise field, than it would be for them to determine the "importance" of ideas before applying the "compelling interest" test in the free speech field.

Essentially, because he believes this determination can't be done, he won't do it; thereby throwing the baby out with the bathwater because protection of our constitutional rights is not always an easily workable formulation.

Judge Scalia defends his argument by stating,

> Any society adopting such a system (of a compelling interest standard) would be courting anarchy, but that danger increases in direct proportion to the society's diversity or religious beliefs, and its determination to coerce or suppress none of them. Precisely because "we are a cosmopolitan nation made up of people of almost every conceivable religious preference," * * * and precisely because we value and protect that religious divergence, we cannot afford the luxury of deeming presumptively invalid, as applied to the religious objector, every regulation of conduct that does not protect an interest of the highest order. The rule respondents favor would open the prospect of constitutionally required religious exemptions from civic obligations of almost every conceivable kind.

Unfortunately, his is an argument based on fear, not principle. Even Judge Scalia admits that this possible anarchy was strictly limited even under the Sherbert compelling interest requirement. In rebuttal to Justice Scalia, Justice O'Connor notes "that courts have been quite capable of strik[ing] sensible balances between religious liberty and competing state interests." Essentially, Justice Scalia is content to ignore the constitutional rights of two men because of the precedent he fears it might set for mass exceptions to other generally applicable laws. What Justice Scalia fails to realize is that providing exceptions to generally applicable laws does not necessarily weaken those laws, while refusing exceptions clearly and irrevocably undermines one's constitutional right to freedom of religion.

This question may be looked at, not from the angle of inquiry into centrality, but through the question of severe impact. Is the burden constitutionally significant? Instead of examining how this case may affect generally applicable laws, we should examine the cases impact on future ability to sustain our constitutional right to freedom of religious expression. Traditionally, we have been protected by the Court from this severe impact. Justice Scalia would like to remove the Court's role and have us rely on the States for our protection. His opinion states "a society that believes in the negative protection accorded to religious belief can be expected to be solicitous of that value in its legislation as well" even though he acknowledges that, "leaving accommodation to the political process will place at a relative disadvantage those religious practices that are not widely engaged in." Mr. Scalia would not have us worry, believing an "unavoidable consequence of democratic government must be preferred to a system in which each conscience is a law unto itself or in which judges weigh the social importance of all laws against the centrality of all religious beliefs."

Unfortunately, Justice Scalia is apparently not a student of history, which unequivocally demonstrates that it is States which are the greatest trespassers of our constitutional rights, not its greatest protectors. States have been notorious for not respecting the rights of individuals, often poor and powerless, in haste to please the demands of either the powerful or the many. The Bill of Rights was created expressly to protect those fundamental rights that majority government had a long history of trampling for reasons of political expediency. In large part due to individual States' inability to protect individual rights, the fourteenth amendment was enacted. An intent not to review any infringement on religious liberties as inflicted by State laws is an absolute abdication of the Supreme Court's role as guardian of the Constitution. As stated by Justice Jackson in 1940,

> The very purpose of a Bill of Rights was to withdraw certain subjects from the vicissitudes of political controversy, to place them beyond the reach of majorities and officials and to establish them as legal principles to be applied by the courts. One's right to life, liberty, and property, to free speech, a free press, freedom of worship and assembly, and other fundamental rights may not be submitted to vote; they depend on the outcome of no elections.

Justice Scalia would like us to believe that because of this Nation's religious plurality, we cannot afford the luxury of protecting the first amendment. While Justice Scalia may represent the majority on this conservative Court, we should not let his radical views undercut our commitment to preservation of the Constitution. Thankfully, Justice Blackmun, author of the second dissenting opinion in the Smith decision, understands that constitutional protection of the free exercise of religion is not a "constitutional anomaly." Indeed it is a "preferred constitutional activity."

The dissent in this case firmly rejects Justice Scalia's opinion, noting that his argument not only is warped in its use of precedent, but fundamentally undermines all preceding jurisprudence on the first amendment's free exercise clause. In separate dissenting opinions, Justices O'Connor and Blackmun reinforce the need to protect religious minorities, especially when the assaults are in the firm of laws making certain religious acts criminal. These intrusions require "heightened judicial scrutiny," on a case-by-case analysis; not blind rejection. In response to Justice Scalia's fears about inquiry into religious centrality, Justice O'Connor writes,

> The distinction between questions of centrality and questions of sincerity and burden is admittedly fine, but it is one that is an established part of our free exercise doctrine, and one that courts are capable of making.

As to Justice Scalia's fears about potential anarchy, Justice Blackmun notes,

> This Court's prior decisions have not allowed a government to rely on mere speculation about potential harms, but have demanded evidentiary support for a refusal to allow a religious exception.

Justice O'Connor also highlights the need "to apply this test in each case to determine whether the burden on the specific plaintiffs before us is constitutionally significant and whether the particular criminal interest asserted by the State before us is compelling * * * the first amendment at least requires a case-by-case determination of the question sensitive to the facts of each particular claim."

The Supreme Court has long, though not always, been the champion of individual constitutional rights, even in instances of conduct that general society may find repugnant. Smith

is a dangerous opinion because, in the interests of judicial simplicity and enforcing anti-drug laws, the Court is content to forget the Constitution. In this Nation of individuals; in all the creeds and races and differences in outlook, opinion, and belief, we persevere as a single entity because of our commitment to the notion that the sanctity of individual liberty is a greater promoter of our social welfare than any government-designed policy of social cohesion. The Court in Smith takes both a narrow reading of the Constitution and an expansive reading of the force of State law on individual liberties. Indeed, there will be times when the extent of our constitutional freedoms must be limited for societal ends. But on each occasion, we must navigate this course with care and circumspection. The emotions of the day cannot defeat the aims of freedom and liberty to which our Founding Fathers strove. Oregon Employment versus Smith is a case contradictory to our constitutional principles; it must be overturned. I urge my colleagues to lend their support to the Religious Freedom Act and to set us back on a proper course.

SHUT DOWN THE OFFICE OF THE SPECIAL PROSECUTOR

HON. THOMAS W. EWING

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. EWING. Mr. Speaker, U.S. District Judge Gerhard Gesell announced yesterday that he was dismissing the case against Lt. Col. Oliver North. I say this action is long overdue.

After spending nearly 5 years and $35 million in taxpayer money to pursue this case, Independent Prosecutor Walsh has concluded that "the Government is not likely * * * to sustain a successful outcome" in this case.

Oliver North has been completely exonerated in this case, and the taxpayers are the only true losers. For far too long, the Office of the Special Prosecutor has justified dragging out this case and increasing the cost to the taxpayers. It is clear that the time has come to put an end to this operation, which employs over 35 attorneys and support staff, before the taxpayers pay more.

The time has come to immediately shut down the Office of the Special Prosecutor and put an end to this issue, once and for all.

TRIBUTE TO CONGRESSMAN BILL GRAY

HON. JOSEPH M GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. GAYDOS. Mr. Speaker, esteemed colleagues, I am here today to pay tribute to a man who has not only done a great service for the Second District of Pennsylvania, but who has also dedicated his time and effort pursuing avenues to create a better and fair society in America.

I have been lucky enough to serve with Congressman Bill Gray since 1978. In this time, I have come to know a man whose drive and determination is like none other I have ever come across. Bill posesses a sense that all of us wished we had. A sense that enables him to see many avenues of opportunity and permits him to mold different views and ideologies together in order to create a finished product that we can all stand by. This sense gives him the ability to eventually come out on top and succeed.

It is obvious in the time that Bill was here, that many of his views and ideas rubbed off on all of us. With his leadership at the majority whip position, Bill was able to rekindle the fire of who and what the Democrats are and what we stand for.

I can remember in the height of the Reagan years, when the American economy was reeling from the Reagan revolution, I watched Bill mold four consecutive budget agreements that effectively ended the Reagan stranglehold on middle class America. The amazing story behind this is that in those 4 years, a combined total of only 77 Democrats voted against the agreements. Less than 20 Democrats a year. Considering the diversity of the Democratic party, that in itself is an astounding achievement.

The success of Bill Gray does not come from luck, it comes from a harmonious combination of personality, vision, and intelligence. With his abilities, Bill has proven that he can take a view, an idea, or a fragmented thought and create something concrete and beneficial. Something that will help people succeed and society to grow.

I am not only speaking for myself when I say Bill is a true leader of the people. Ask around the halls of Congress and the Members will tell you what a fair, hard-working, and engaging leader he is. Although the House of Representatives will be losing a great leader and potential speaker, the United Negro College Fund will be gaining a man who will tirelessly strive to assist black Americans.

Bill Gray will not leave this body as a beleagured politician, resting on the laurels of where he has been and what he has done. This man will exit this body with his head held high and his eyes wide open; he will leave as a champion looking for new obstacles to overcome, other mountains to climb, and new campaigns to wage.

In closing, I would like to extend my sincerest congratulations and gratitude to Bill and also wish him the best of luck with the endeavors he must yet face.

ESTABLISH 17-MEMBER COMMISSION TO DISMANTLE THE GLASS CEILING FOR THE ADVANCEMENT OF WOMEN AND MINORITIES

HON. SUSAN MOLINARI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Ms. MOLINARI. Mr. Speaker, today, I have introduced a bill to establish a 17-member Commission to study further why the glass ceiling—the invisible barrier keeping qualified minorities and women from moving up into management jobs—exits. The Commission will make recommendations with respect to policies for business to promote opportunities for the advancement of women and minorities and lead to the removal of artificial barriers to such advancement. In addition, this legislation establishes the National Award for Diversity and Excellence in American Executive Management. This award will be presented annually to a business which has made substantial efforts to break down the glass ceiling.

The Department of Labor's recent glass ceiling report confirms what many of us have suspected all along—that women and minorities have not been advancing up the corporate ladder as quickly as white males. This report is an important first step in understanding and removing the barriers toward women and minorities. However, it is just a first step toward a pervasive problem that has existed in our society for far too long. The legislation I am introducing today will establish a high-level government commission charged with building on the work of, and expanding the record of, the Department of Labor's efforts. It is important to note that the report completed by the Department of Labor was a modest pilot study, examining only nine Fortune 500 companies. Today's legislation will enable the high-powered Commission to compile hard facts on a multitude of businesses, versus sampling of corporate America.

During the past 25 years, shifting demographics, coupled with a more global business environment has changed the composition of the work force. Significant among these is the increased importance of women and minorities to the competitive status of the American economy. If we are to ensure a level playing field—that women and minorities have the opportunities guaranteed under the law—we must have statistical data and recommendations to break down the glass ceiling.

Mr. Speaker, I believe the proposed legislation measure will help ensure accountability in equal employment opportunities for women and minorities. It will also provide significant incentives to those companies which have undertaken particularly creative and effective initiatives to assure equal opportunity for all.

TRIBUTE TO WILLIAM J. MARSCHALK

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. DREIER of California. Mr. Speaker, on July 12, William J. Marschalk, an executive vice president of Great Western Corp., died following treatment for Hodgkin's disease. Over the past 2 months, I've had the opportunity to reflect upon the life and career of a remarkable individual whose legacy is one of giving and caring.

Since 1986, I had the pleasure of working with Bill on a number of issues that were before the House Banking Committee. During that time, I came to admire his professionalism and his commitment to his country and his community. His advice was sound and his instincts were usually right. During the many

years of debate on the causes of and solutions to the savings and loan crisis, he was a voice of reason when reason was in short supply. He was a positive influence on a troubled industry.

In addition to being a prominent and highly respected professional Bill Marschalk was a man of compassion for those in our society who are less fortunate. When President Bush spoke of those "thousand points of light," the person who first came to mind was Bill Marschalk.

As a member of the board of directors of the Big Brothers of Greater Los Angeles, Bill spent countless hours intimately involved in the lives of hundreds of young men in need of positive male role models. In an effort to broaden education and housing opportunities for low- and moderate-income families, Bill worked as director of the California Housing Partnership Corp. and as a member of the president's council of California State University, Northridge.

Bill Marschalk was a good friend, and he will be greatly missed. My prayers are with his family, especially his wife, Jeanne, and his two children, Cory and Heather.

ANTHONY CASTIGLIA: MAN OF THE YEAR

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. LaFALCE. Mr. Speaker, the wonder of America, to some extent, is the unique blend of its vibrant present with the richness of its cultural past.

The Buffalo area, like so many other communities, is blessed with a variety of ethnic groups who continue to hold high the torch of their ethnic roots which their forbears proudly brought to this country in generations past.

One such organization, the Federation of Italian-American Societies of Buffalo western New York, has celebrated its Italian heritage primarily through its Christopher Columbus Day Dinner for the past 84 years. This year, the federation has chosen to honor Anthony M. Castiglia as its "Man of the Year." It is in tribute to Mr. Castiglia and his many accomplishments that I wish to make special note to my colleagues in the Congress of the United States.

Anthony Castiglia was born on Buffalo's east side 56 years ago and was raised in the environs of Swan Street where so many other Italian-Americans lived during that period. The son of humble parents, Charles and Mary Castiglia, Anthony learned early in life that serving God, country, and family were three priorities worthy of his total dedication and commitment.

Following his father's advice, he chose to enter mortuary school. After years of hard work and tireless effort, he became one of the most successful and respected funeral directors in western New York. That alone would have been worthy of special recognition, but Anthony Castiglia's accomplishments extend deep in the fabric of the western New York community—principally as a leading force of the federation which honors him so deservedly this year.

As the federation's president, Anthony Castiglia successfully lobbied for Federal funds to teach the Italian language and culture in the Buffalo public schools. He managed to recruit and sponsor a world acclaimed "Leonardo's Return to Venice" art exhibit featuring works of Leonardo da Vinci—an exhibit that was seen by more than 100,000 people during its 6-week showing at the University of Buffalo.

In 1981 he initiated a major communitywide fundraising effort that brought thousands of dollars of much needed assistance to hundreds of homeless and suffering earthquake victims of southern Italy.

Mr. Castiglia takes special pride in his work on behalf of Santa Maria Towers—a 115 unit apartment complex for senior citizens located in the heart of Buffalo's Italian-American community. In 1984 President Ronald Reagan personally visited and dedicated Santa Maria Towers and praised those associated with it "* * * for their devotion to God, country, and family"—a theme which had the familiar ring of Anthony Castiglia's childhood.

Anthony Castiglia's most enduring accomplishments, however, will be the joy of his marriage to his lovely wife, Loretta and the fruits of that marriage—his three sons: Patrick, Charles, and Eric; two grandchildren, Alyssa and Cody, also bless the Castiglia home.

On this Columbus Day we salute the Federation of Italian-American Societies and its 1991 "Man of the Year" for reminding us that America's future will always be bright because people like Anthony Castiglia nobly dedicate their lives to the cherished values of God, country, and family.

MEYERS NOT A COSPONSOR OF H.R. 1330

HON. JAN MEYERS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mrs. MEYERS of Kansas. Mr. Speaker, JOHN MYERS, my good friend and colleague, and I share the same last name in pronunciation—and even our first names sound similar. Our names are spelled differently, but minor confusions occur nonetheless. For example, he receives some of my mail and I get some of his.

Recently, however, a larger problem surfaced because of the similarities of our last names. On June 26, 1991, my name was listed in the CONGRESSIONAL RECORD as a cosponsor of H.R. 1330, a bill to establish a system for classifying wetlands.

I am not a cosponsor of H.R. 1330 and have never been a cosponsor of the bill. My friend from Indiana, JOHN MYERS, however, is a cosponsor of H.R. 1330. And when he decided to cosponsor the bill, the sponsoring office submitted the wrong name to the LEGIS office. Although the LEGIS office record has been corrected, there is nothing I can do to correct the June 26 CONGRESSIONAL RECORD, except to offer this explanation.

Mr. Speaker, it is my hope that in the future my colleagues and their staffs will be sure to remember the distinction in the spelling of my name and my Indiana colleague's name.

INSTITUTE FOR INTERNATIONAL PUBLIC POLICY

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Ms. NORTON. Mr. Speaker, today I am proud to join my colleague, Mr. HAYES of Illinois, in introducing legislation designed to increase the participation of minorities in the foreign service. Currently, those choosing a career in foreign service will find that this is one of the areas of Federal service that minorities have found most difficult to penetrate. The most recent statistics from the foreign service show that the total percentage of African-Americans, Hispanics, Asian-Americans, and American Indians employed in career positions is a mere 12 percent, while collectively these groups comprise approximately 25 percent of the population.

Our legislation would take steps to increase this low number of minorities currently serving in the foreign service by amending the Higher Education Act of 1965 to establish a program for minority foreign service professional development. This program would be developed through an undergraduate consortium of universities to be based at Howard University, here in the District of Columbia. The majority of universities in the consortium have student bodies composed predominantly of minorities. Features of the legislation include a junior-year abroad program, a Ralph Bunche Fellowship Program providing $15,000 fellowships for study at the masters degree level, a cooperative program to prepare graduates for the Foreign Service examination, and the creation of an Institute for International Public Policy at Howard University to concentrate on producing minority international/foreign policy analysts.

The Foreign Service needs our best and brightest. Unfortunately, many minorities have not been given the opportunity to prove that this is exactly who they are. Our legislation is intended to remedy this problem. I urge my colleagues to support it.

TECHNOLOGY ADVANCEMENT AND THE QUALITY OF LIFE

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. RITTER. Mr. Speaker, I am pleased to announce the formation of the Technology Advancement Association [TAA], a not-for-profit association of professionals in science, engineering, law, finance, economics, public education, public information, government affairs, and social/behavioral sciences. TAA members are actively committed to advancing technology through a network of local, national, and international affiliates of the primary organization.

TAA's mission is profound in its simplicity. That mission is "to advance the quality of life by advancing technology." The relationship between the state of technology and quality of life is not well understood and deserves the special attention that TAA proposes to give it. Moreover, an interdisciplinary organization designed to assure and enhance the application of technology to quality of life concerns will be infinitely beneficial to our society and mankind.

TAA intends to accomplish its mission in a variety of ways. If will develop a full range of media and public information programs to better inform and educate the public. TAA will also provide a forum to identify and address problems, issues, and concerns that cut across a broad spectrum of technologies. This forum will encourage interdisciplinary, holistic approaches to technological issues. Finally, TAA will serve as a vehicle for integrating the efforts and expertise of professionals from all fields of technology toward the resolution of complex and significant technological issues.

The organizational structure of TAA is as unique as its mission and objectives. Since its structure includes professionals engaged in a broad cross-section of technical and nontechnical areas, TAA will represent an exceptionally wide point of view on technology issues. Moreover, TAA seeks a balance among the three principal segments of the technology community, that is, industry, government, and academia as well as the general public. TAA's interdisciplinary philosophy will be applied in both of its major organizational components, TAA/US and TAA International. TAA's structure supports a holistic approach to problem solving and is designed to insure more balanced positions on technology issues.

Mr. Speaker, I commend the Technology Advancement Association for its unique organization and highly laudable objectives. It is an organization that I am sure will come to hold a prominent voice on science and technology issues. TAA is certain to make a difference in helping to insure that advances in technology are applied in such a way as to truly enhance the quality of life.

INTRODUCTION OF THE MINORITY FOREIGN SERVICE PROFESSIONAL DEVELOPMENT PROGRAM

HON. CHARLES A. HAYES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. HAYES of Illinois. Mr. Speaker, I rise today to introduce a very important piece of legislation which seeks to increase the numbers of minorities serving in the Foreign Service, as well as other international career opportunities. In spite of alleged efforts on the part of the State Department, minority representation in the Foreign Service is truly dismal. The overall minority representation is 18 percent, and the overall African-American representation is only 6 percent, in spite of the slight improvements over the past 5 years. Mr. Speaker, the Foreign Service is by no means representative of the American people at large. It has been said time and again that the State Department needs to do more to correct racial imbalances in the elite 9,400-member Foreign Service. However, not much has been done. This legislation is meant to directly address this problem.

Today, I introduce the Foreign Service Professional Development Program, along with my colleague Representative ELEANOR HOLMES NORTON, because a serious effort must be made by this Congress to increase access for all Americans to international career options. Mr. Speaker, for the record, I would like to insert an outline of this legislation in the RECORD at this point:

SECTION-BY-SECTION SUMMARY

MINORITY FOREIGN SERVICE PROFESSIONAL DEVELOPMENT PROGRAM AND THE INSTITUTE FOR INTERNATIONAL PUBLIC POLICY

Part D. NAME. Names the program the Minority Foreign Service Professional Development Program and also establishes the Institute of International Public Policy at Howard University in Washington, D.C.

Section 631(a) authorizes the creation of a program to significantly increase the numbers of African Americans, Asian Americans, Hispanic Americans, and Native Americans entering the Foreign Service of the United States and other careers in the international arena including international voluntary agencies, international public policy formulation, and international information dissemination. This section also establishes at Howard University in the District of Columbia the Institute for International Public Policy (hereinafter the INSTITUTE) to serve as the administrative and academic arm of the consortia of twenty-six undergraduate/graduate institutions of higher education that will implement the program.

Section 631(a) identifies the twenty-six institutions forming the consortium as: Benedict College, Bennett College, Bowie State University, California State University at Los Angeles, Chicago State University, Cleveland State University, Columbia College of Chicago, Florida International University, Georgetown University, the Johns Hopkins University of Advanced International Studies, Howard University, Lehman College, Lincoln University of Pennsylvania, Ana G. Mendez Education Foundation (Turabo University), Morgan State University, Johnson C. Smith University, New Mexico Highlands University, Northeastern Illinois University, Spelman College, Tougaloo College, University of Texas, Southmost (Pan American University), the University of the District of Columbia, Upsala College, Wayne State University, West Virginia State College, Wilberforce University, and Xavier University of New Orleans.

Section 631(b) provides for the participation of any institution of higher education (as defined in section 1201 of the Act) in the program authorized as a "cooperating" institution except the academic internship program.

Section 632(a) outlines the academic program as including but not being limited to: international policy formulation, foreign service training education, foreign language study, international economics and politics, public information communication and dissemination, junior year abroad, academic year and summer internships, graduate fellowships, undergraduate identification program, and U.S. Foreign Service Examination Preparation.

Section 632(b) defines the Junior Year Abroad program as being open to all minority students in attendance at historically black colleges or universities, tribally controlled Indian community colleges and other institutions of higher education with "significant minority student populations." Eligible students must attend institutions which have entered into a Memorandum of Understanding (MOU) with Howard University, which will pay for a portion of the cost of the Junior Year Abroad from appropriated funds, while the student's nominating institution must pay the balance.

The Junior Year Abroad program will provide up to a nine-month experience, including academic study, as well as social, familial and political activities intended to foster a greater understanding of and familiarity with the culture, language, economics and political governance of the host country.

Section 632(c)(1) authorizes a Masters Degree program leading to the award of a Masters Degree in International Relations at Howard University or any other institution which enters into a MOU with Howard University. This MOU will outline the program of study at the cooperating institution to ensure its conformity with the academic program at Howard which shall have the approval of the Board of Visitors. Section 632(c)(2) creates the Ralph Bunche Fellowship in order to assist students acquire the Masters Degree in International Relations. The fellowship is limited to two years and may not exceed a total of $30,000 or $15,000 for each academic year. The Bunche Fellowships, to be awarded by Howard University, may only be awarded to full-time students in attendance at Howard or other institutions who enter into an MOU with Howard University, provided the student has a baccalaureate degree and intends to enter the U.S. Foreign Service for two years for each one year of fellowship assistance received.

Section 632(d) authorizes academic and summer internships for students from consortium institutions only and would provide a work-related experience with international voluntary, U.S. government agency or international agency.

Section 633(a) establishes the Board of Visitors for the Institute program. The membership of the Board shall include an individual named by the President of each institution in the consortium and the President of Howard Unviersity, as well as the designees of the Secretary of Education and the Secretary of State. Subsection (b) indicates that the Board of Visitors will function as the academic and policy oversight body for the Institute and the program. The Board is required to submit an annual report on the activities and accomplishments of the program to the Secretary of State and the Secretary of Education. That report shall include a statistical analysis of the progress made in placing minorities in the U.S. Foreign Service.

Section 633(c) sets forth the qualifications of the members of the Board of Visitors. They shall include: prior experience in the U.S. Foreign Service or in international service; academic experience, either instructional or research, in the international academic arena; practical or professional experience in overseas business, development or international voluntary work; or governmental experience in the foreign service or international voluntary service.

Section 634(a) provides for Howard University to submit an application to the Secretary of Education in order to receive the appropriated funds, and (b) establishes a matching requirement for the consortium institutions which shall equal one-fourth of

the amount of the total provided by the Federal government, which shall come from nonfederal sources, but may be in the form of cash, services, supplies or equipment.

Section 635 authorizes the President of Howard University to receive private gifts and donations on behalf of the Institute and to maintain such private gifts and donations, which are to be used for the support of the Bunche Fellowship Program or the Junior Year Abroad Program, at the Independence Federal Savings Bank or similar financial institution.

Section 636 provides for the delegation of the responsibility of providing a preparation course for the Foreign Service Examination to a non-profit entity in the District of Columbia.

Section 637 provides definitions for several key words used in the bill, including "eligible student," and "affiliated institution."

Section 638 authorizes $25 million dollars to carry out the purposes of the program in FY 1992 and "such sums" as may be necessary in each succeeding fiscal year.

Mr. Speaker, the idea for this legislation originated during the House Education and Labor Committee's series of field hearings on the reauthorization of the Higher Education Act of 1965. President Dolores Cross of Chicago State University expressed an interest in this legislative proposal at the field hearing held in my congressional district. As other hearings were held nationwide, the Committee heard time and again of the need to address this matter.

As the Congress moves forward in the process of reauthorizing the Higher Education Act, it is my hope that members will join with me in supporting this legislation, recognizing the need to provide true access to all aspects of education for all Americans.

TRIBUTE TO THE GRAND COUNCIL OF HISPANIC SOCIETIES IN PUBLIC SERVICE

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. SERRANO. Mr. Speaker, I would like to take this opportunity to congratulate and praise the Grand Council of Hispanic Societies in Public Service, Inc. for their 24 years of unremitting dedication and service in the community.

Based in New York, the grand council was originally established by representatives of five fraternal Hispanic organizations who wanted to promote the contributions and advancements of Hispanics in the community.

Building on the premise that "in unity there is strength," the council's founders mobilized to create an umbrella organization that would incorporate the values set forth in their constitution. They formed an executive board and appropriate bylaws to guide them in carrying out a very specific set of objectives.

WHEREAS: In unity there is strength, we, the Representatives of various fraternal groups and societies, composed of Civil Service Employees of Hispanic and Hispanic-American origin or lineage, serving in the various spheres of Federal, State and Local Government, feel the need to create an organization to unite our efforts and aspirations into a common bond to better promote the general welfare of our individual fraternal groups and their members; to strive for due recognition in Public Service for people of Hispanic and Hispanic-American descent; to unrelenting dedication, to ever improving, to the best of our abilities, the services we render to the various communities we serve.

These goals, as written in the grand council's preamble, have steered this zealous organization to the point where they currently represent 90,000 members and counting.

Through their commitment and efforts, the Grand Council of Hispanic Societies in Public Service, Inc. has contributed to the advancement of Hispanics in our community. It is through these types of efforts that our community will be capable and prepared to manage the challenges of the future. These endeavors, which help strengthen our Nation as a whole, should be emulated by others, and must be commended.

On behalf of the South Bronx, I salute the Grand Council of Hispanic Societies in Public Service, Inc. on 24 years of service, and look forward to their presence in the community for many years to come.

INTRODUCTION OF LEGISLATION TO STIMULATE PRIVATE SAVINGS

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. JENKINS. Mr. Speaker, today I am introducing legislation designed to stimulate private savings in the United States. The Individual Investment Account Act, which establishes IRA II's, represents a significant expansion of and improvement over IRA's as they now exist. By rekindling the "savings ethic" and contributing to significant increases in new savings, this legislation can have a very important impact on the household economies of average Americans as well as on the national economy.

Briefly, IRA II's will provide:

A $2,500 per year tax deductible contribution, indexed for inflation;

Unlimited nondeductible contributions;

No penalty withdrawals;

No forced distribution at any age;

All nondeducted contributions withdrawn first;

Account balance transferred tax free at death; beneficiary assumes account with same cost basis as benefactor;

Tax-free withdrawal of up to $15,000 for first time home purchase; basis in residence reduced by corresponding amount;

Proceeds from sale of principal residence may be rolled over without tax, and the basis of the account would be increased by an amount equal to the cost basis of the residence; any tax-free gain of up to $125,000 from home sale after age 55 increases IRA II nontaxable basis.

A careful review of the concepts embodied in this legislation shows a well designed, integrated program that not only will improve the financial condition of individual taxpayers, it will also improve the environment for investment use of capital and strengthen the fiscal position of our Government.

Under current revenue estimating procedures, the estimated tax revenue loss from the enactment of this legislation is expected to be high. IRA II funds will not escape taxation, they are simply held in trust for the payment of taxes in the future. It must also be recognized that whatever the revenue loss might be, the growth in savings will result in the same amount being available to the economy, where through investment new sources of tax revenue might be created. No one will deny that free market total rates of return, in the aggregate and over time, will exceed the Government's cost of money as reflected in, for example, Treasury bill rates.

In short, the Government's revenue estimating process shortsightedly treats IRA type savings as an expense when, in fact, such savings are a vital asset, essential for the fiscal soundness of our Government and the stability and growth of our economy.

The Individual Investment Account Act calls out for immediate congressional consideration. Mr. Speaker, I am attaching a more complete analysis of IRA II's that highlights their important advantages for our Nation. I urge my colleagues to give this proposal their careful consideration.

SUPPLEMENT FOR INCLUSION WITH MR. JENKINS CONGRESSIONAL RECORD STATEMENT PERTAINING TO THE INDIVIDUAL INVESTMENT ACCOUNT ACT.

ANALYSIS OF IRA II'S

(1) IRA IIs require no new costly administration. They are separate from IRAs.

(2) $2,500 allowable deduction per person per year is linked to cost-of-living index.

(3) There's no need for limits on "non-deducted" contributions (e.g., current IRA max. of $2,000/yr.). Uncle Sam will get his full tax whenever withdrawals are made. For example, there are no "limits" on non-deductible "E" bond purchases, and investing in private enterprise is far better for all.

(4) IRA IIs have no surrender penalties. Surrender penalties disproportionately increase taxes on lower tax brackets (see Table) and needlessly keep people from saving in the first place. With IRA IIs, there is no need for penalty tax waivers for 1st-time home buyers, etc. This, therefore, also assists the home building and real estate industries, as well as banks, thrifts and other financial institutions.

(5) The IRA prescribed "order" of withdrawals is reversed. Existing IRA law treats all plan withdrawals as taxable income until non-deductible contributions come out last, without tax. This existing law creates a very serious impediment to saving. We must make it easier and more attractive to save. Thus, all IRA II non-deductible contributions are considered to be withdrawn first, without tax. This revised basis certainly removes a most serious impediment to saving, and that's a key step towards our nation's sound economic future.

(6) IRA IIs have no requirement that benefits start at an arbitrary age, such as 70½. As voter/taxpayers spend their money via plan withdrawals, Uncle Sam will get his full tax on investment growth and any untaxed contributions.

(7) Home ownership enhances family and neighborhood stability. Permitting tax-deferred IRA II withdrawals of up to $15,000 per person for first-time buyers of a principal residence creates a tremendous incentive for

saving, particularly for young people. Additionally, it fosters real estate activity in all of its favorable dimensions. The taxpayer's "basis" in his or her home is reduced by the amount of the tax-deferred roll over.

(8) With IRA IIs, home sale proceeds can be "rolled over" without tax into the home owner's IRA II. Many voter/taxpayer senior citizens will welcome this favorable swap, because it can help them diversify their major asset without current tax. Thereafter, they can gradually withdraw money from their IRA II, as then suits their needs and desires. Taxation of such withdrawals will reflect their homes cost basis, which would be recovered first, without tax.

This step also helps (1) unlock the serious real estate doldrums, (2) open up the market for first-time home buyers, (3) shift monies into productive resources via "non-home" IRA II investment, and (4) costs the government nothing (it gains), because all the transferred real estate gain will ultimately be taxed at ordinary income tax rates instead of at "capital gain" rates, or on a "stepped-up" basis. If some voter/taxpayers prefer not to use this IRA II "home transfer" alternative in order to maintain their capital gain basis, or "stepped-up" basis at death, that's their choice, of course.

Existing law allows $125,000 of home sale proceeds to be received tax-free after age 55. This allowance is integrated with IRA IIs, so that home sale proceeds subsequently withdrawn from an IRA II would retain this allowance. This enhancement encourage everyone to invest their full home sale proceeds in productive enterprise via their IRA II.

(9) With IRA IIs, there is no income tax at death; but the beneficiary keeps the participant's basis. There is no need for an income tax at death, because whenever the beneficiary withdraws money from the IRA II, the investment growth and untaxed contributions will be fully taxed at ordinary rates. And, with IRA IIs there is no "forced" taxable distribution following death as is required under existing IRA law.

With IRA IIs, there is no "step-up" in basis upon death. From the government's "proper and realistic" viewpoint, there is no loss under IRA IIs; it's a true gain for national saving. Beneficiaries (children, grandchildren, etc.) will spend this money sooner or later (via plan withdrawals), and Uncle Sam will then collect his full tax on the unfettered-by-tax investment growth and untaxed contributions.

(10) Investment growth is fully taxed upon any withdrawal. While this results in a "double tax" on any "non-deducted" contributions, it is far better for everyone (including the government) that the ordinary income tax treatment that "double taxes" savings far more harshly.

(11) The great bulk of voter/taxpayers save for "income" accumulations. Savers who "invest-for-income" are impacted by inflation just as much as "capital gain" investors. And, or course, "capital gain" investors should not be taxed on "trades", because they haven't consumed anything. IRA IIs remove these highly negative taxation elements created solely by the current ordinary income tax system.

COMMENTARY

Not only do IRA IIs reflect good common sense and sound tax policy, they help create a dramatic economic shift away from recession and toward sound, long-term economic growth. Revenue estimates have not been made, because the current governmental methodology for so doing is totally incorrect by treating the amount of taxpayer IRA-type "saving" as a wasted "expense". In reality, revenue gains, rather than losses, are derived from IRA-type legislation.

IMPORTANT ADVANTAGES OF IRA II'S

It's obvious that IRA IIs will greatly increase saving and private capital, thereby reducing longer term interest rates. This also reduces the cost of national debt; a most important objective.

New IRA II saving creates tax revenue where none existed before, because this saving would otherwise be spent. IRA IIs also help ameliorate the existing double and triple taxing of corporate dividends.

IRA IIs help entrepreneurs get started and permit them to eventually "realize" some, or all, of their gains without tax in order to diversify. Of course, they will pay full taxes whenever they withdraw IRA II investment growth (and deducted contributions) in order to spend it.

IRA II savings growth substitutes for taxable wages whenever the taxpayer needs it. This greatly expands the ability of taxpayers to cope with their own particular needs and desires.

IRA IIs remove the "locked-in-due-to-taxes" aspect of personal investing that is so detrimental to free markets. This problem is particularly onerous for our elder generation who are so reluctant to sell an investment due to (a) a tax on large untaxed growth, and (b) their desire for heirs to enjoy "stepped-up basis" values at death.

All of the above elements of IRA IIs add up to a sound, simple, understandable, growth-oriented tax policy program that's doable from any perspective. No voter/taxpayer or government official has to be a tax expert to understand it fully. And, no new plan administration concepts are needed (IRA IIs are administered like IRAs).

In reality, IRA II legislation represents an excellent, sound "economic growth" initiative. It is a credible long-term plan. There is no rational reason why this IRA II program shouldn't be enacted promptly.

EXAMPLES

THE UNDESIRABLE NATURE OF PENALTY TAXES

IRA IIs have No penalty taxes on plan withdrawals. Penalty taxes hurt lower bracket taxpayers more.

[In percent]

Tax bracket (a)	Penalty tax (b)	Tax increase from penalty tax (b+a) [1] (c)
15	10	67
28	10	36
31	10	32

[1] Lower tax brackets have a larger increase.

ILLUSTRATION OF THE NEGATIVE BIAS OF THE ORDINARY INCOME TAX (OIT) AS IT APPLIES TO SAVING

Example: $100 after tax saving at beginning of year one * 10% Return * Growth after 30 years

Tax bracket	Investment growth after 30 years		Growth lost due to the ordinary income tax (OIT)		
	Before OIT	After OIT		Percent loss	Loss as a percent of tax bracket
(a)	(b)	(c)	(d)	(e)	(f)
15 percent	$1,645	$1,056	$589	36	240
28 percent	1,645	705	940	57	204
31 percent	1,645	640	1,005	61	197
			(b − c)	(d+b)	(e+a)

[1] This lost investment growth of twice the tax bracket is unconsicionable! And, the lower tax brackets have a larger percentage loss! (col. f)

Growth lost due to IRA II taxes would equal 100 percent of tax bracket (not the 200 percent± as above). For example, IRA II comparable losses in col. (e) would be 15 percent, 28 percent and 31 percent of growth (not 36 percent, 57 percent and 61 percent as above).

IRA II taxation is fairer. It is proper taxation for each taxpayer voter and our Nation. IRA II's remove the disastrous bias against saving as found in the ordinary income tax.

PROTECTION OF YELLOWSTONE NATIONAL PARK AND OLD FAITHFUL

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 17, 1991

Mr. WILLIAMS. Mr. Speaker, today I rise to introduce the Old Faithful Protection Act. My legislation is designed to halt the development of geothermal wells adjacent to Yellowstone National Park, within the known geothermal fault lines that carry the water that sustains the world renown geothermal features of America's first national park.

In 1988 the U.S. Congress moved to protect Yellowstone National Park, along with other parks, from the damaging of significant geothermal features. This was an important effort that essentially stopped any development on Federal lands adjacent to Yellowstone. However at that time there was a great deal of concern about the threatened development of geothermal resources on private land in what is known as the Corwin Springs Known Geothermal Area.

The Church Universal Triumphant, a local landowner, made application to the State of Montana to develop a hot water resource on their private property. Their application with the State proposed piping water from below the surface. The State entered into the permit process and many of the same folks who were concerned about development of geothermal leases adjacent to Yellowstone also became concerned about the Corwin Springs KGA. But the Corwin Springs well was on private land and the State had sole jurisdiction.

In the permitting process the State itself was concerned that they did not have sufficient data about the interconnection of the parks geothermal features with the Corwin Springs KGA, and without some proof of interconnection would probably have to permit. So then Senator Melcher, in conjunction with myself,

attached to both the Senate and House Geothermal Steam Act amendments of 1988, a prohibition on public and private development in the area. The bill also dictated that a joint study be conducted by the USGS [United States Geological Survey] and the Park Service to determine the nature of the faulting structure below Yellowstone. The bill dictated the study should be done by December 1990 and that a 180 day review period would be allowed before the Federal ban on development was lifted. The legislation also specifically stated that if the study determined a risk to the features in the park, then the Interior Department should submit a plan for the acquisition of the water right interests in the Corwin Springs KGA.

Now some 9 months after the due date of the report, the Congress has not been presented with the required information and the 180 day review period may now be moot. This is an intolerable situation. It was clearly the intent of Congress to protect Yellowstone and now, due to the agencies' tardiness, that may, or may not, happen. I am also told that even when the report is presented there will be no discussion of how the Government might proceed if a risk is determined to exist.

I, for one, cannot wait any longer. Along with my colleague Senator BAUCUS I am presenting legislation that will establish a no risk policy for geothermal resources in Yellowstone Park, even if that means restriction of geothermal development on private land adjacent to the park. I am also asking, with the help of Senator BAUCUS, that the Interior appropriations bill being considered in the Senate contain a reinstatement of the time necessary to review a report, if ever presented, and then also pass my legislation if appropriate.

This legislation is not a taking of private property rights only a guideline to the type of geothermal use that will be tolerated adjacent to Yellowstone Park. This legislation does not remove State authority, nor does it impact nongeothermal water rights. This legislation simply carries forward the national policy, already articulated by this body, regarding the protection and continuation of the most famous and important geothermal features in the world.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, September 19, 1991, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 20

9:00 a.m.

Agriculture, Nutrition, and Forestry

To resume hearings to examine the health impact of certain pesticides manufactured in the United States and exported to Third World countries.

SD-138

Select on Intelligence

To continue hearings in closed session on the nomination of Robert M. Gates, of Virginia, to be Director of Central Intelligence.

SH-219

10:00 a.m.

Appropriations

Business meeting, to mark up H.R. 2521, making appropriations for fiscal year 1992 for the Department of Defense.

S-128, Capitol

Joint Economic

To hold hearings to examine foreign direct investment activities in the United States.

SD-538

SEPTEMBER 23

2:00 p.m.

Finance

Health for Families and the Uninsured Subcommittee

To hold hearings to examine proposals to reform the health care system, focusing on ways to control health care costs and improving access to health care coverage.

SD-215

SEPTEMBER 24

9:00 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.

334 Cannon Building

9:30 a.m.

Energy and Natural Resources

Energy Research and Development Subcommittee

To hold hearings on the status of the Department of Energy's research and development on the Atomic Vapor Laser Isotope Separation technology and the outlook for transfer of that technology to the private sector for commercial deployment.

SD-366

Small Business

Business meeting, to markup S. 1426, 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.

SR-428A

Joint Printing

To hold hearings on the proposed consolidation of the Department of Defense printing establishment.

2226 Rayburn Building

10:30 a.m.

Judiciary

Immigration and Refugee Affairs Subcommittee

To hold hearings to review the annual refugee consultation process.

SD-226

SEPTEMBER 25

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Governmental Affairs

Oversight of Government Management Subcommittee

To resume oversight hearings on the administration and enforcement of the Federal lobbying disclosure laws.

SD-342

Joint Economic

Education and Health Subcommittee

To hold hearings to examine ways to reform the American health care system, focusing on the contrast in administrative costs in the U.S. and Canadian health care systems.

2359 Rayburn Building

2:00 p.m.

Finance

Medicare and Long-Term Care Subcommittee

To hold hearings to review the Secretary of Labor's Coal Commission report on health benefits for retired coal miners, and to examine the status and financial condition of the United Mine Workers of America Health and Retirement Funds.

SD-215

Joint Economic

To resume hearings to examine the current poverty situation in the United States.

2359 Rayburn Building

SEPTEMBER 26

8:45 a.m.

Office of Technology Assesment

Board meeting, to consider pending business.

EF-100, Capitol

2:00 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on S. 1495, to provide for the establishment of the St. Croix, Virgin Islands Historical Park and Ecological Preserve, and S. 1528, to establish the Mimbres Culture National Monument and to establish an archeological protection system for Mimbres sites in the State of New Mexico.

SD-366

SEPTEMBER 30

10:00 a.m.

Finance

Health for Families and the Uninsured Subcommittee

To resume hearings on proposals to reform the health care system, focusing on ways to control health care costs and improving access to health care coverage.

SD-215

OCTOBER 1

2:30 p.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on S. 452, to authorize a transfer of administrative jurisdiction over certain land to the Secretary of the Interior, S. 807, to permit Mount Olivet Cemetery Association of Salt Lake City, Utah, to lease a certain tract of land for a period of not more than 70 years, S. 1182, to transfer jurisdiction of certain public lands in the State of Utah to the Forest Service, S. 1183, to reduce the restrictions on the lands conveyed by deed to the city of Kaysville, Utah, S. 1184, to direct the Secretary of the Interior to conduct a study to determine the nature and extent of the salt loss occurring at Bonneville Salt Flats, Utah, and how best to preserve the resources threatened by such salt loss, and S. 1185, to disclaim or relinquish all right, title, and interest of the United States in and to certain lands conditionally relinquished to the United States under the Act of June 4, 1897 (30 Stat. 11, 36).

SD-366

OCTOBER 2

9:30 a.m.

Joint Economic

Education and Health Subcommittee

To resume hearings to examine ways to reform the American health care system.

Room to be announced

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on the nomination of Ming Hsu, of Arizona, to be a Federal Maritime Commissioner.

SR-253

OCTOBER 3

9:30 a.m.

Rules and Administration

Business meeting, to mark up S. 289, to authorize an extension of the National Air and Space Museum at Washington Dulles International Airport, S. 1345, National Film Preservation Act, S. 1415, to provide for additional membership on the Library of Congress Trust Fund Board, S. 1416, to provide adequate authority in the Library of Congress for the provision of fee-based library research and information products and services, S. 239, to authorize the Alpha Phi Alpha Fraternity to establish a memorial to Martin Luther King, Jr., in Washington, D.C., and H. Con. Res. 172, providing for the printing of a revised edition of the booklet entitled "Our American Government."

SR-301

OCTOBER 4

9:30 a.m.

Governmental Affairs

Oversight of Government Management Subcommittee

To hold hearings to examine the status of Great Lakes Federal programs.

SD-342

OCTOBER 8

9:30 a.m.

Governmental Affairs

Oversight of Government Management Subcommittee

To hold hearings to examine whether the Federal government is making environmentally conscious decisions in its purchasing practices.

SD-342

OCTOBER 23

9:00 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the Report of the Commission on the Future Structure of Veterans Health Care.

334 Cannon Building