

HOUSE OF REPRESENTATIVES—Monday, February 4, 1991

The House met at 12 noon.

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

We have been called to a day of prayers for peace, to lift our voices with the earnest petition that the conflicts will cease and people will be free to live in harmony with their neighbors.

We pray, O loving God, for our President and the leaders of other nations that they will be filled with wisdom and guidance as they seek the peace that is Your will for us.

We recall in our prayers, O God, the men and women of the armed services together with the commanders who lead them and the families who wait for them. May Your blessing, O God, which is new every morning, be with them always, and may Your benediction be for us, for all, and forevermore. 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 Tennessee [Mr. DUNCAN] please come forward and lead the House in the Pledge of Allegiance.

Mr. DUNCAN 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 PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. McCathran, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bill on Thursday, January 31, 1991:

H.R. 556. An act to provide for the Secretary of Veterans Affairs to obtain independent scientific review of the available scientific evidence regarding associations between diseases and exposure to dioxin and other chemical compounds in herbicides, and for other purposes.

APPOINTMENT AS MEMBER OF PRESERVATION OF JAZZ ADVISORY COMMISSION

The SPEAKER. Pursuant to the provisions of section 4 of Public Law 101-499, the Chair and the President pro tempore of the Senate jointly appoint Mrs. Lindy Boggs to the Preservation of Jazz Advisory Commission.

COMMUNICATION FROM CHAIRMAN OF THE COMMITTEE ON WAYS AND MEANS

The SPEAKER laid before the House the following communication from the chairman of the Committee on Ways and Means:

COMMITTEE ON WAYS AND MEANS.

Washington, DC, January 24, 1991.

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives, the Capitol, Washington, DC.

DEAR MR. SPEAKER: This is to advise you that, pursuant to sec. 8002 of the Internal Revenue Code, the following Members of the Committee on Ways and Means have been designated to serve on the Joint Committee on Taxation during the 102nd Congress:

Dan Rostenkowski (D., Ill.)
Sam M. Gibbons (D., Fla.)
J. J. Pickle (D., Tex.)
Bill Archer (R., Tex.)
Guy Vander Jagt (R., Mich.)

Sincerely yours,

DAN ROSTENKOWSKI,
Chairman.

SELECTION OF MEMBERS TO BE ACCREDITED AS OFFICIAL ADVISERS TO U.S. DELEGATIONS RELATING TO TRADE AGREEMENTS

The SPEAKER. Pursuant to the provisions of 19 U.S.C. 2211, and upon the recommendation of the chairman of the Committee on Ways and Means, the Chair has selected the following members of that committee to be accredited by the President as official advisers to the U.S. delegations to international conferences, meetings, and negotiation sessions relating to trade agreements during the 1st session of the 102d Congress:

Mr. ROSTENKOWSKI of Illinois;
Mr. GIBBONS of Florida;
Mr. JENKINS of Georgia;
Mr. ARCHER of Texas; and
Mr. CRANE of Illinois.

BUDGET OF THE U.S. GOVERNMENT FOR FISCAL YEAR 1992—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 102-3)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Appropriations and ordered to be printed:

I. THE BUDGET MESSAGE OF THE PRESIDENT
To the Congress of the United States:
I am pleased to present the *Budget of the United States Government for Fiscal Year 1992.*

The budget is consistent with the 5-year deficit reduction law enacted last fall. It recommends discretionary spending levels that fall within the statutory caps for defense, international, and domestic discretionary programs. It implements the entitlement savings and reforms enacted in the Budget Agreement. It conforms to the new pay-as-you-go requirements.

By holding the overall rate of growth of Federal Government spending to approximately 2.6 percent—below the inflation rate—the budget puts into effect the concept of a "flexible freeze," which is an essential means of bringing the budget into long-term balance.

The longest period of peacetime economic expansion in history has been temporarily interrupted. We can, however, return to growth soon—and proceed on the path to a new era of expansion. With that goal in mind, the budget places special priority on policies that will enhance America's potential for long-term economic growth, and that will give individuals the power to take advantage of the opportunity America uniquely offers.

To this end, I am again proposing tax incentives to increase savings and long-term investment.

On the spending side of the budget, the existence of a cap on domestic discretionary outlays rightly creates a competition for resources. Priorities must be set. This budget proposes that domestic investment be increased in the following key areas:

Education and Human Capital.—The budget proposes investments to prepare children better for school, to promote choice and excellence in our educational system, to improve math and science education, and to increase the access of low-income Americans to higher education.

Prevention and the New Generation.—The budget includes proposals to help

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

reduce illness and death from preventable diseases, and to reverse the long-term trend of underinvestment in children.

Research and Development and the Human Frontier.—The budget recommends an increase of \$3.4 billion in the Federal investment in research and development, with special emphasis on basic research, high performance computing, and energy research and development. It proposes to extend permanently the tax credit for research and experimentation to encourage private sector R&D investment. In addition, the budget reflects the Administration's continued commitment to expanding human frontiers in space and biotechnology.

Transportation Infrastructure.—The budget supports an expansion of the Federal Government's investment in highways and bridges to over \$20 billion within 5 years, and proposes substantial increases to improve the condition of the Nation's airports, to modernize the air traffic control system, and to continue to develop the transportation infrastructure for exploration and use of space.

America's Heritage and Environmental Protection.—The budget includes increased funds for the expansion and improvement of America's treasury of parks, forests, wildlife refuges, and other public lands; for the implementation of the Clean Air Act and other key environmental statutes; for the clean-up of pollution at various Federal facilities and at Superfund sites; and for protection and enhancement of coastal areas and wetlands.

Choice and Opportunity.—The budget provides: funds to help give parents greater choice in child care, health care, education, and housing; the resources to allow all Americans, especially those with low incomes, to seize the opportunities that such choice provides; and a proposal to establish Enterprise Zones to bring hope to our inner cities and distressed rural areas.

Drugs and Crime.—The budget further increases the Administration's investment in drug prevention, treatment, and law enforcement. And the budget substantially increases the resources available to help the Federal Bureau of Investigation fight crime, the Federal prosecutors prosecute criminals, and the Federal prison system accommodate those convicted of crimes.

To make such investments possible, the budget includes recommendations to terminate or reduce Federal investment in certain low-return programs, and proposes reforms to slow the continuing growth of mandatory entitlement programs and to increase fairness in the distribution of the benefits these programs provide.

In addition, the budget contains a new proposal to fund various programs now carried out by the States through a comprehensive block grant. The

States are continuing to develop new and innovative ways to deliver services more effectively. The budget not only highlights several of these innovations; it proposes to reinforce and build upon them.

The budget contains several proposals that reflect my commitment to managing government better. These include measures to improve accountability, to reduce waste, to reform regulation, to employ risk management budgeting in addressing threats to health and safety, and to set clear objectives and measure performance in meeting them.

Finally, consistent with the statutory caps enacted last year, the budget provides the resources necessary to maintain national security, and to better advance American interests abroad. As the budget goes to press, the timing of the resolution of the multinational coalition's efforts to reverse the aggression in the Persian Gulf is uncertain. For this reason, the budget reflects only a placeholder for Operation Desert Shield. A supplemental request for the incremental costs of Desert Shield, which includes Desert Storm, will be forwarded to the Congress in the coming weeks.

The priority investments embodied in this budget will help America prepare for the requirements and opportunities presented by a rapidly changing world. I look forward to working with the Congress in developing a budget that lays the groundwork for a brighter future, protects our national interests, and helps create the conditions for long-term economic growth and prosperity.

GEORGE BUSH.

FEBRUARY 4, 1991.

COMMUNICATION FROM THE
CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. MAZZOLI) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
February 1, 1991.

Hon. THOMAS S. FOLEY,
The Speaker, U.S. House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received at 11:58 a.m. on Friday, February 1, 1991, the following message from the Secretary of the Senate: That the Senate passed S. Con. Res. 8 and the Senate made appointments to the National Commission on Children.

With great respect, I am
Sincerely yours,

DONNALD K. ANDERSON,
Clerk, House of Representatives.

ADMINISTRATION'S BUDGET:
NOTHING BUT SMOKE AND MIRRORS

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

Mr. RICHARDSON. Mr. Speaker, once again, the administration's budget is nothing but smoke and mirrors. It starts out by making two unrealistic assumptions: That the recession will be over by summer and that the war will cost only \$15 billion. Why such a low war cost? The administration assumes our allies like Japan and Germany will contribute their fair share. If you believe these assumptions, I have a dream vacation in Baghdad I would like to sell you.

In this budget, there is good news for those in science and space. And there is good news if you have investments and want a cut in the capital gains tax. There's bad news for senior citizens who will have to absorb \$23 billion in Medicare cuts, there is bad news for parents that need loans to send their kids to college, there is bad news for hospitals struggling to stay open, and there is bad news for poor, newborn children trying to stay alive.

The debate this year will not be over how much money should be spent, but how it should be spent. There will be no peace dividend. Military savings cannot be used to finance domestic programs. Domestic programs will have to compete with each other.

Mr. Speaker, let us face it. There is one untouchable in this budget—the funds to pay for Desert Storm. And rightly so. But until that enormous cost is clear, this budget process, other issues and problems at home will have to wait.

GULF WAR DEMONSTRATIONS

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

Mr. LAGOMARSINO. Mr. Speaker, over this weekend in Buellton, CA in the heart of my congressional district, hundreds of American citizens rallied in support of our brave men and women fighting in Operation Desert Storm. I believe, and so do all the polls, that the vast majority of Americans strongly support our troops and Operation Desert Storm, though that always isn't evident on the news.

I strongly support the positive, pro-America rallies like the one in Buellton. Just as the standing ovation here in this Chamber during President Bush's State of the Union Address bolstered the morale of our troops and signaled to the Iraqis that we are united, strong and committed to our righteous objectives, so too are identical messages sent directly from the American people through support rallies.

The greatness of America lies in its freedoms. It is the right of any citizen to openly protest Operation Desert Storm, and some are. However, protestors should know that their actions have a negative impact on our forces on the front lines. Their actions could prolong fighting and be responsible for greater casualties. Further, their actions play right into Saddam Hussein's hands. Saddam Hussein has said "Iraqis feel gratitude to all Americans who demonstrate in the United States against the war. We are attentively following (them) and we will not forget"—that's a direct quote from the Iraqi dictator himself. We Americans won't forget, either.

As so well stated in the liberty song of our own American revolution, "Then join hand in hand, brave Americans all! By uniting we stand, by dividing we fall."

□ 1210

PRISONERS SHOULD NOT BE PAID TO TESTIFY IN COURT

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

Mr. DARDEN. Mr. Speaker, today I am introducing legislation which will rescind the requirement that taxpayers pay prisoners to testify in Federal court. On January 8, 1991, in the case of Demarest versus Manspeaker the Supreme Court of the United States held that under current law prisoners that testify in Federal court must be paid an attendance fee as any other witness.

Mr. Speaker, it has been a longstanding policy of the Federal Government not to pay prisoners to testify in court. Federal appellate courts on several occasions in past years have ruled that the Congress never intended to compensate prisoners in any way for giving testimony in Federal court. The Justice Department through its regulations has always considered prisoners ineligible to receive witness related fees under title 28, section 1821 of the United States Code. The Treasury Department has had an agency policy not to pay fees to prisoners since the beginning of this century. The Congress has never expressed any intent to pay prisoners to testify.

Mr. Speaker, one conservative estimate that has come to my attention of the cost to the American taxpayer of paying prisoners to testify in Federal court is \$1 million a month or \$12 million a year. Such costs are bound to rise as prisoners discover this new way to collect money from the Government. Prisoners are likely to bring new lawsuits against the Government so that other prisoners can testify and collect fees.

Mr. Speaker, the taxpayer pays for the food, clothes, housing, medical care, law libraries, education courses, and other privileges that prisoners receive while they are incarcerated. We should not saddle the people with another multimillion dollar burden in the form of salaries for prisoners.

Mr. Speaker, I know the court did what it understood to be its job in rendering the decision that it did. Now we must do our job. The legislation that I am proposing today will remove any doubt about the intention of Congress when it comes to paying prisoners to testify in Federal court. We do not think that prisoners should be paid to be witnesses in court. Except for detained material witnesses, this bill would specifically disqualify any incarcerated person from receiving any of the payments included under section 1821 of title 28.

BE BRAVE, MELISSA

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

Mrs. KENNELLY. Mr. Speaker, I come to the well today to talk about Melissa Ralhan-Nealy and to express our hope that she is safe somewhere in Kuwait or Iraq. I also want to express my concern to her parents, Leo and Joan Ralhan; I want them to know that our thoughts are with them today.

Mr. Speaker, Melissa is one of our superior military personnel. She is a motivated individual, like so many others that are serving us today in the Middle East. She joined the forces and went to the gulf for patriotic reasons. She also had a strong desire to increase and extend her advanced education.

At this time, when our citizens are called on to help their country, to join in the defense of a situation that we believe in, to be against aggression, it is only right that our daughters stand beside our sons in the armed services, and so I say today to Melissa, "I hope you're safe. Our thoughts are with you. Be brave, Melissa. We hope you are home soon. God bless you."

TEXTILE MACHINERY MODERNIZATION ACT OF 1991

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

Mr. BALLENGER. Mr. Speaker, today, I am reintroducing legislation entitled the Textile Machinery Modernization Act of 1991.

I encourage any Member that supports small businesses to cosponsor this legislation. The textile machinery industry consists of approximately 500 companies, employing some 17,800 citi-

zens nationwide. In fact, 86 percent of this industry is comprised of firms with 50 or fewer employees. These small businesses produce finished machinery, parts and accessories used in the production of textile mill products for apparel, defense, furniture, and industrial applications.

This legislation establishes a Textile Machinery Modernization Fund to support research for new technology to modernize the American textile machinery industry. This fund is made up of existing revenues collected from duties levied on imports of textile machinery.

Research and development is crucial to the future viability of all industry, including the domestic textile machinery industry. This legislation would establish the necessary R&D funds without raising tariffs or restricting imports. With the concern over the lack of civilian research and development, I believe it is time we took action to bolster a crucial domestic industry and preserve American jobs.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. MAZZOLI) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
January 31, 1991.

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit three sealed envelopes received from the White House at 3:47 p.m. on Thursday, January 31, 1991, and said to contain the following:

- (1) A report entitled "National Drug Control Strategy, 1991."
- (2) A report entitled "1988 Aeronautics and Space Report of the President," and
- (3) "International Space Year for 1992 Report."

With great respect, I am
Sincerely yours,

DONNALD K. ANDERSON,
Clerk, House of Representatives.

PLANS AND PROGRAMS FOR INTERNATIONAL SPACE YEAR—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Science, Space, and Technology and the Committee on Foreign Affairs:

(For message, see proceedings of the Senate Thursday, January 31, 1991, at page 2658.)

PROGRESS IN AERONAUTICS AND SPACE DURING 1988—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Science, Space, and Technology:

(For message, see proceedings of the Senate of Thursday, January 31, 1991, at page 2658.)

NATIONAL DRUG CONTROL STRATEGY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, without objection, referred to the Committee on Armed Services, the Committee on Banking, Finance and Urban Affairs, the Committee on Education and Labor, the Committee on Foreign Affairs, the Committee on Government Operations, the Committee on Energy and Commerce, the Permanent Select Committee on Intelligence, the Committee on the Judiciary, the Committee on Merchant Marine and Fisheries, the Committee on Public Works and Transportation, the Committee on Science, Space, and Technology, and the Committee on Ways and Means:

(For message, see proceedings of the Senate of Thursday, January 31, 1991, at page 2659.)

SUPPORT FOR DESERT STORM FORCES, A NATIONAL ENERGY POLICY, AND BUDGETARY SUPPORT FOR CITIES AMONG GOALS FOR 102D CONGRESS

The SPEAKER pro tempore (Mr. BENNETT). Under a previous order of the House, the gentleman from Kentucky [Mr. MAZZOLI] is recognized for 5 minutes.

Mr. MAZZOLI. Mr. Speaker, having returned earlier from a weekend trip back home to my district, during which I spoke, as I usually do, to many people in various capacities, I have come back to Washington with a couple of thoughts that might be worth sharing with my colleagues and with those who are observing these proceedings.

One of those thoughts is that the sole objective which we have currently in the gulf is to make sure that all the men and women of Operation Desert Storm have available to them, without delay, all of the logistical assistance they may need to pursue the mission which the Commander in Chief has given them and to pursue and complete

that mission with the greatest degree of facility, of speed, of success, and of safety both to them, the combatants, and to the many innocents on both sides of the fighting.

We certainly have observed on television and read in newspapers the extent of the activity there, and it is such as to give us pause and concern. Very, very appropriately, yesterday was the day of prayer which was asked of the Nation by our Commander in Chief, our President, George Bush, because certainly these are times in which prayer may be the only means by which we can pass through this terrible challenge and this terrible period of sacrifice.

But, once again, while there is within the country still some concern as to how and why this war came to pass—I myself share this concern and dismay that at a time of such high technology and at a point in human civilization of such high sophistication we still resort to killing in order to solve problems and that we cannot solve them seemingly by more peaceful means—that debate which occurred right here on the House floor on those remarkable 3 days in the months of January has ended. We now, as I say, need to make sure that the men and women of Desert Storm have what they need to complete their mission. But once that mission is over, once the war is over, and once the sizable and daunting task of making peace and of rebuilding those areas begins, our job is still only partially over here in this body because we have a very strong obligation to complete the second phase of this, which is to establish a national energy policy.

While oil is not the only reason we are in the gulf region at this time, oil is one of the powerful reasons why we are there, and until we can extricate ourselves from the coils of the Middle Eastern supply of oil, until we eliminate our thralldom to oil and foreign energy, we will always be more prone and more susceptible of getting into these regional battles.

So certainly one of the great tasks of the 102d Congress, even while operation Desert Storm is ongoing, and when the war ends, is to make sure we have a national energy policy which encompasses both conservation and a movement toward alternative energy. That sentiment is shared by all of our people back home in Kentucky.

The second point I would bring up, Mr. Speaker has to do with the budget. This has been spoken to earlier today, and today the fiscal year 1992 budget was delivered by the President and was discussed by him the other night in this Chamber. We want to be sure that this budget does not ignore the needs of urban areas and the cities of our country and, for that matter, does not ignore the needs of rural areas and the more sparsely settled communities.

I hope my fears are not realized, but there is the potential that we will be so consumed and so fixated on the gulf, with all of the very legitimate reasons for us to concentrate on that area, that we may ignore the domestic budget. Our men and women are exposed to dangers in the gulf and, therefore, we certainly have to concentrate on them and that responsibility. But we cannot forget the domestic needs and concerns back home.

Just as recently as Friday, Mr. Speaker, in the conference room at the city hall, I had a chance to meet with Mayor Jerry Abramson and his deputy mayor, Joan Riehm and all of their city commissioners to talk about the needs of the city of Louisville, which, I am sure, coincide with the needs of all of our cities and communities around the country.

So I would say, Mr. Speaker, that while we give our greatest attention and all of our prayers to the Middle East and to the quick end of that battle, we should not forget that our responsibility, beyond creating an energy policy for the future so that we have fewer such conflagrations, includes our need to attend to the budget for the domestic needs of our country. Otherwise we will not have actually carried out the oath which all of us swore in this Chamber just a few days ago.

Mr. Speaker, we have a large challenge in the 102d Congress, but I think we can realize our needs and face that challenge.

THE PRESIDENT'S BUDGET FALLS SHORT OF MEETING UNMET NEEDS

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

Mr. LEVIN of Michigan. Mr. Speaker, we have just received the budget message. Clearly there is a budget crunch in this country. From my preliminary reading, I am afraid the administration's response is robbing Peter to pay Paul.

I have looked at three areas. For example, unemployment compensation. The administration is at last going to react to the administrative needs so that people like those in Michigan no longer will have to wait 5 or 6 weeks for their check when they are unemployed through no fault of their own, but they are going to have to take money from TAA people who are unemployed.

On student grants, there is going to be a shuffling from middle income students to those in lower income brackets. The middle income students apparently are going to be lost in the shuffle.

Let us take Medicare. The proposal is to cut billions of indirect medical education from hospitals in urban and sub-

urban areas that are feeling the brunt of the uninsured and those with AIDS and other diseases.

So what does this Nation need in facing this budget crunch? Not another shell game. It needs straight talk and sensitivity to unmet needs. From a preliminary reading of this budget of the administration's, there is no straight talk and little sensitivity to unmet needs.

SMALLEST CHILDREN ARE VICTIMS

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute, and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, we must reexamine our policies in calling up the reserves—and in deploying both the mother and father of small children to a combat zone. It is wrong to send both a mother and father to theater of war.

We talk about being a kinder gentler nation but, in this instance, the Pentagon is only looking at cold numbers and not at the heart of the Nation.

World War II was different. We never drafted only the sole provider of a family. With the Korean police action and in Vietnam we did not send both parents. Now that policy has changed. Since we have been promoting an All-Volunteer Army we should change the policy and protect our young children with the second parent doing duty in this country.

I am now calling on the Pentagon and Secretary Cheney to look at every case of deployment of both parents and—I ask them to leave one parent in this country. I have supported our action and that of allowing women to be almost on the front line—but the children are our future. They must be protected.

□ 1230

EPA TRIES, BUT LOSES, GRAND CANYON AIR BATTLE

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

Mr. HOAGLAND. Mr. Speaker, today I want to applaud the Environmental Protection Agency Administrator William Reilly for trying to attack head on the cleanup of the air in the Grand Canyon, a step long overdue. Unfortunately, Mr. Reilly, a man who has not shied away from taking bold steps to protect the environment, could not find sufficient support among his colleagues in the administration to do what really needed to be done.

We have learned from recent news reports that EPA proposed to reduce 90 percent of the sulfur emissions from a Navajo powerplant that is a significant

contributor to the persistent haze shrouding the Grand Canyon, one of the Nation's most spectacular natural wonders. EPA, however, lost the battle to the Office of Management and Budget and the Department of the Interior who propose reducing emissions by 70 percent.

This is disappointing news for several reasons. First, EPA's own analysis indicated that a 90-percent reduction in pollution would be more cost effective than a 70-percent cut. Further, if the administration had used the new allowance provisions of the new clean air law—provisions promoted by the administration which allow a utility to sell credits—a 90-percent cut would have been even more economical. The sale of allowances could have offset the cost of the controls needed to cut sulfur emissions by 90 percent.

Third, it is significant to note that a reduction of 70 percent leaves three times more pollution than a reduction of 90 percent. For example, if there are 100 tons of pollution and a plant reduces by 70 percent, 30 tons are left. If 90 percent is cut, 10 tons remain. Thus, the 70-percent reduction results in more pollution, a result which is contrary to the goal of the whole exercise.

Finally, one must question the dedication of the Department of the Interior to its basic goals. Interior is the lead Federal agency whose mission is to protect the Nation's natural resources. Interior is the steward of the Nation's parks, wildernesses, and refuges; but Interior, in this case, is part owner of the plant generating the pollution. Interior as both protector of the environment and generator of pollution seems to have lost sight of its environmental mission.

I have been very impressed and encouraged by Administrator Reilly's forward-looking approach these past 2 years. And I commended the Bush administration for proposing a clean air bill, a proposal that spurred a Congress that had been deadlocked for over 10 years. I hope that the decision on the Grand Canyon—one of the world's preeminent natural wonders—does not mean that this administration is already backsliding after signing into law a landmark clean air bill.

PROTEST OF EL SALVADOR VIOLENCE

The SPEAKER pro tempore (Mr. BENNETT). Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, our pressing concerns at home and abroad should not distract us from the recent upsurge of violence in El Salvador.

On January 2, leftist guerrillas shot two of our soldiers in cold blood after their helicopter crashed in El Salvador.

Now we have heard from Catholic Church officials in El Salvador that members of that country's military recently massacred 15 peasants.

According to a 17-page report, the soldiers stabbed and slit the throats of the victims, while their children watched from hiding places. The peasants, including a 14-year-old girl, apparently had ties to the Salvadoran rebels.

The Salvadoran military has denied involvement in the killings, but witnesses said the killers wore uniforms identifying them as government troops.

I urge our diplomats in El Salvador to thoroughly investigate this atrocity and other incidents attributed to either government or rebel forces.

Only then can we as a Congress make a clear judgment as to whether the Government of El Salvador deserves more military or economic help from the United States.

SCANDAL INVOLVING ATLANTA AGENCY OF BANCO NATIONAL DEL LAVORO

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, having had the privilege of living long enough, and having a very good memory, I recall before 1941, and in fact in the late thirties, the old trolley tracks in my hometown of San Antonio being torn up and sold to Japanese procurers of scrap iron and steel, so the day of the autobus was coming in.

There were those then, and I recall vividly they were considered sort of out of line, who were saying, well, the day is going to come when you are going to have all of that steel shot back at our soldiers.

Well, it certainly did seem that those in my generation would never have to go to war, much less be scattered to the four corners of the Earth, and some of them not to return.

I am forcibly reminded of that period because of some of the things that have now happened in our country, where it looks as if again we have not learned anything. We are like the Bourbon kings. We do not seem to learn anything or forget anything.

Mr. Speaker, let me preface my remarks before I go into them too much by expressing my gratitude to an outstanding staff member of the full Banking Committee. Let me say by way of parenthesis, so that some of my anxious colleagues who seem to think that as chairman I have total control of all the funding that is allocated to the Banking Committee, that actually about all I have is one-tenth of the staff, the total staff, that the Banking Committee lists as subcommittee staff and the like. One-tenth.

I have one-tenth of the budget for full committee chairman's discretion and direction.

I want to keep that in mind, because it is very important in order to exalt and to emphasize the preparation, what I call the genius of such a staffer, as Mr. Dennis Kane, who is the one that I want to give credit to for today's report.

I am here today to talk about the scandal involving the Atlanta branch of the large Italian Government-owned Banca Nazionale del Lavoro [BNL]. This is a sensational case in which former employees of the Atlanta branch of BNL approved over \$3 billion in supposedly unauthorized loans to Iraq over the latter half of the 1980's. Most of these loans were not reported to American or Italian banking officials, so it is said.

The BNL scandal is a case study in bank regulatory failure. It is apparent that the State and Federal bank regulatory agencies failed to adequately supervise BNL. The Banking Committee is presently investigating this matter.

The BNL scandal raises several additional concerns within the jurisdiction of the Banking Committee. Foremost is the adequacy of the regulation and supervision of U.S. branches and agencies of foreign banks. Entities like BNL command over \$575 billion in assets in the United States and over \$7.5 billion of their liabilities are guaranteed by the FDIC. The Banking Committee is quite concerned that the present sharing arrangement between the State and Federal bank regulatory agencies is inadequate to ensure these entities are properly supervised. This was certainly the case in the BNL affair. It is apparent that a thorough review of the International Banking Act is in order.

The BNL affair also raises the issue of whether or not we should allow U.S.-based financial institutions to be used as a conduit of foreign policy. It is time the committee delved into the intentions of foreign banks, especially those owned by foreign governments, and the role they play in our economy. We should ask ourselves: Should we permit foreign governments to carry out their foreign policy through our banking system, especially if it goes against our own interests? Should we permit foreign banks that are underwritten by foreign taxpayers to compete head on with our privately owned banks? One must wonder if it is fair for a foreign Government-owned bank to take business and jobs away from our privately owned domestic banks.

Maybe it is time we established a national screening board to monitor more closely foreign bank presence in the United States. Such a screening board could review applications for foreign bank entry into the United States, as well as monitor these banks to ensure they are not engaged in foreign policy activities or unfairly competing against our own firms.

BNL NOT JUST ANOTHER BANK REGULATORY FAILURE

The BNL scandal is not simply a bank regulatory failure, it is intimately linked with Iraq and the current gulf war. BNL loans permitted the export of almost a billion dollars of United States agricultural goods to Iraq. These loans not only permitted Iraq to feed its people, they freed up scarce foreign exchange that was used by Iraq to build up its military arsenal.

I have developed evidence clearly linking BNL loans to a network of companies that helped to build the Iraqi war machine; the same war machine or so-called coalition partners are now trying to destroy. It is also the same war machine that has taken the lives of some of our Nation's precious young adults, and placed over 500,000 of our soldiers directly in harms way.

Unfortunately, the United States and European technology and know-how used in building the Iraqi war machine may have been legal. Inadequate export control laws and the lack of enforcement of these laws among the industrial nations, permitted the export of sophisticated technology and know-how to Iraq. Instead of being employed in civilian projects, this technology was often used to build and improve Iraqi weapons. Many of the companies providing this technology to Iraq were financed directly by BNL loans, while many others were indirect beneficiaries of BNL moneys.

Of course deceit also played a large part in building the Iraqi war machine. It is quite probable that many of the companies providing technology and know-how to the Iraqi war machine did not realize they were doing so. During the 1980's Iraq established a sophisticated network of front companies charged with the mission of finding and exporting Western technology to Iraq. No expense was spared including possible bribes and higher than normal profits for the producers of the goods exported to Iraq.

One must wonder what the United States and the Western intelligence community knew about BNL's role in transferring technology to Iraq. It would be surprising if the intelligence community of the United States and those of our Western allies did not know about the transfer of this technology and its uses. It would be hard to believe that they did not know about BNL's role in building the Iraqi war machine.

The BNL affair also raises questions about our own and other Western governments policies toward Iraq. For the most part the West ignored massive human rights abuses in Iraq. Iraq used poison gas against Iran, and even its own citizens, the Kurds. Brutal Iraqi relocation policies made refugees out of over 100,000 Kurds. Iraq was a know heaven of terrorist groups. Through all of this, the United States and other

Western governments provided billions in export credit assistance to Iraq which had a history of being delinquent or not paying on its loans.

Over the next several months I will be taking the floor to talk about the many implications of the BNL scandal. Today I would like to start with some background material. I will introduce you to the strategy Iraq used to obtain Western technology that was ultimately used for military applications. I will provide background on the United States policy toward Iraq, background on BNL, and finally a summary of BNL's use of United States Government export credit programs.

At future dates I will provide an in-depth look at the warning signs the United States ignored in dealing with Iraq, provide a more detailed look at the Iraqi technology procurement network including BNL's role in financing that network, provide statistics on the West's role in building the Iraqi war machine, and finally the need for our society, and that of our allies, to stop the proliferation of weapons of mass destruction.

SUMMARY OF UNITED STATES POLICY TOWARD IRAQ

In order to set the stage for an in-depth look at the BNL scandal, it will be useful to take a quick look at United States policy toward Iraq during the past decade or so.

In 1979, during the Carter administration, Iraq was labeled as a nation that had consistently supported international terrorism. At one time or another, Iraq was reportedly providing state sponsored support for the notorious anti-Israeli group the Abu Nidal Organization and other terrorist organizations. Under the export controls operative at that time, a terrorist designation meant Iraq was prohibited from purchasing many United States goods including civilian aircraft or military equipment.

Shortly after this action the Iranian revolution and ensuing hostage crisis rocked United States policy in the region. At the same time, tensions between Iran and Iraq were mounting. In 1980, Iraq invaded Iran, starting a bloody war that would last nearly 8 years and claim hundreds of thousands of lives.

The loss of Iran was a severe strategic blow to the United States. The United States feared Iranian hegemony in Middle Eastern affairs and began to tilt toward Iraq as a counterbalance to the rise of Iran. In a controversial decision, the Reagan administration removed Iraq from the terrorist list in 1983, thus easing export controls that had been instituted in 1979. It appears the United States wanted Iran to lose the war so bad that it was willing to reestablish diplomatic relations with Saddam Hussein's terrorist regime after a 17-year interruption even

though many believed Iraq was still harboring terrorists.

Iraq was also friendly with Russia, and countering this influence in Iraq probably played a role in this United States decision to tilt toward Iraq. At the time, economic factors played little role.

Removing Iraq from the terrorist list also opened the door for United States Government guaranteed agricultural exports to Iraq which began in 1983. This was convenient, because at about the same time the U.S. agriculture community was experiencing surpluses in many agriculture commodities. The agriculture community supposedly saw Iraq as having long-term food needs that would present significant market opportunities for United States agricultural commodities.

In 1984, the United States officially reestablished diplomatic relations with Iraq even though in that same year Iraq had used poison gas in its war with Iran. Over the remaining years of the 1980's, Iraq continued to be one of the world's worst violators of human rights—a topic I will discuss at some length at a later date. Nevertheless, the administration continued to ignore massive human rights abuses.

As incredulous as it may seem, the United States reacted to all the human rights abuses, including Iraq gassing its own citizens, by expanding United States credit guarantee programs. From 1985 to 1990, the United States authorized over 4 billion in United States guaranteed agricultural exports to Iraq, the peak being \$1.1 billion in 1988.

While Iraqi participation in the agriculture export guarantee program was increasing dramatically, Iraq was in default on United States Export-Import Bank credit programs. After settling its differences with Iraq, in 1987, the Export-Import Bank opened up for business with Iraq by providing a \$200 million a year line of short-term insurance coverage for United States manufacturing exports to Iraq. These actions were probably taken to appease Saddam and his ambitious economic reconstruction program announced in 1987. The war with Iran ended in 1988, and Iraq was anxious to get the reconstruction program going. BNL would play a major role in the reconstruction effort.

THE IRAQI RECONSTRUCTION PROGRAM

With earnings from its huge oil reserves—second in the world to Saudi Arabia—Iraq entered the decade of the 1980's with hefty cash reserves. But its war with Iran—1980-88—and the drop in oil prices during the 1980's changed all that. Wartime weapons purchases coupled with domestic infrastructure expansion served to deplete Iraq's foreign exchange reserves.

Even though Iraq emerged from its war in poor financial condition, there was still some optimism regarding the

reconstruction program. Iraq's oil reserves and its educated work force led many experts to believe that if Iraq could manage its economy properly, it could fulfill the promises of the reconstruction program. But with oil prices stagnating, Iraq was in poor shape to pay for this ambitious reconstruction program.

Iraq had accumulated massive debts of some \$70 billion during the 8-year war with Iran. A good portion of Iraq's external debt was owed to Western bankers, and this debt had to be repaid in foreign exchange earned from oil exports. Since much of Iraq's oil earnings had to be earmarked for debt servicing, its reconstruction program was in jeopardy of failing.

Saddam reacted to this problem by calling on many foreign countries to reschedule and spread out loans that had been extended to Iraq. Iraq had showed favoritism in contracting to nations that remained loyal during the war with Iran. Iraq also preferred to deal with nations willing to reschedule debts. It has been reported that Iraq often threatened to default on its official debts if a nation would not reschedule its loans to Iraq. Iraq refused to reschedule loans with nations in a multilateral forum, a process referred to as the Paris Club. While this was a violation of stated United States policy, it was purportedly ignored because Iraq was for the most part current on its United States debt.

Complicating Iraq's debt problems, was the unwillingness of most Western banks to lend to Iraq without Government guarantees. At the date of the Iraqi invasion of Kuwait, United States-owned banks had an exposure to Iraq of a little over \$100 million. Western banks were not thought to have a relatively large net position in Iraq at the time of the invasion. Since few, if any, banks were willing to lend money to Iraq, Saddam turned to Western governments for help.

Many in the West perceived Iraq as a lucrative future export market. Iraq showed a distinct liking of Western technology and agricultural commodities. Many Western governments proved more than willing to provide the credit guarantees to capture part of the Iraqi market for their exporters.

With the help of the United States, through its CCC and Eximbank programs, and augmented by similar programs administered by several European and Asian countries, Saddam was able to keep his ambitious reconstruction going. But Saddam was not satisfied, he wanted more credit to fuel the reconstruction program. Enter BNL Atlanta.

BACKGROUND ON BNL AND ITS USE OF U.S. GOVERNMENT SPONSORED EXPORT CREDIT PROGRAMS

BNL is the largest Italian bank in terms of deposits. It is 96 percent Government-owned and has over \$100 bil-

lion in assets worldwide. BNL commands over \$8 billion in assets in the United States with offices based in Atlanta, New York, Chicago, Miami, and Los Angeles. Its North American headquarters are in New York. In addition, BNL has a commercial paper subsidiary, called BNL U.S. Corp., incorporated in Delaware and operating out of New York. BNL has offices throughout Europe and branches in Hong Kong, Singapore, and a representative office in Tokyo. BNL also has subsidiaries in Canada and The Netherlands Antilles.

THE RAID ON BNL U.S. OPERATIONS

In July 1989, the Federal Reserve Bank of Atlanta was notified by the FBI of a substantial off-book operation at the Atlanta agency of Banca Nazionale del Lavoro. On August 4, 1989, the Federal Reserve, accompanied in Atlanta by the FBI and U.S. attorney in Atlanta, raided the U.S. operations of BNL.

Based on information gathered from that raid, it was apparent that BNL-Atlanta was conducting massive off-book transactions. The Atlanta office was lending and raising billions that it did not report on its financial statements or in its bank regulatory statements.

The off-book lending probably began in February 1987. These transactions, kept on a set of secret books, were purportedly established to conceal the excessive Iraqi loans from BNL's headquarters in Rome.

The off-book transactions were originally used to finance commodity exports to Iraq. The first such transaction occurred in February 1987 with Rafidain Bank of Baghdad, Iraq. The following paragraphs provide some background on BNL-Iraq participation in the agriculture credit programs.

USDA-CCC EXPORT CREDIT GUARANTEE PROGRAMS

The U.S. Department of Agriculture's [USDA] Commodity Credit Corporation [CCC] is authorized under the CCC Charter Act and related legislation to develop and administer programs to expand U.S. agricultural export markets. During the early 1980's, CCC devised two main credit guarantee programs to accomplish this mission; the GSM-102 and GSM-103 export credit guarantee programs. These programs target countries that have potential for additional food purchases, but are short on cash and need credit. The USDA looks at a potential participant country's long-term food needs, market development opportunities for U.S. commodities, as well as the ability of a country to repay credit extended under the programs. The USDA also receives input from the U.S. export industry, before a final decision is made on which countries will be eligible to utilize the programs.

The GSM-102 and GSM-103 programs both work in a similar manner. Essentially, the CCC guarantee operates to

attract credit from the private sector to finance sales of U.S. agricultural commodities, rather than having the Government provide credit directly. The principle and most significant differences between the GSM-102 and GSM-103 programs is the length of the credit terms. Depending on individual country announcements, GSM-102 guarantee programs can cover financing terms up to 3 years. Under the GSM-103 program, credit guarantees are provided for periods from 3 to 10 years, although typically financing coverage does not extend beyond 7 years.

Prior to the beginning of each year, USDA, through its commodity divisions and the attaché service of the Foreign Agricultural Service [FAS], enter into discussions with foreign countries interested in the GSM programs. FAS then allocates the amounts of credit guarantees among potential participating countries, establishing specific country lines by commodity. These proposals are then presented to an interagency group—the National Advisory Council—for its advice.

Under both programs CCC first announces the availability of coverage for eligible countries. After the announcement, U.S. agricultural exporters register sales to the eligible country, and pays a guarantee fee to CCC.

Transactions under both programs must be covered by an irrevocable letter of credit issued by a CCC-approved bank located in the importing country. This was the Rafidain Bank in the case of Iraq. U.S. exporters usually assign the guarantee to a United States or foreign bank which then provides the financing of the export transaction.

In the case of the GSM-102 program, Congress mandated that CCC make available no less than \$5 billion annually in short-term credit guarantees. Under the GSM-103, program Congress established a ceiling level which for the most recent fiscal year was \$1 billion.

IRAQ UTILIZATION OF CCC CREDIT GUARANTEES

Iraq began purchasing United States commodities under the GSM program in 1983, just prior to the United States and Iraq reestablishing diplomatic relations that had been severed for 17 years. The following chart summarizes Iraq use of the GSM program.

SUMMARY OF SALES APPROVED UNDER CCC CREDIT GUARANTEE PROGRAMS FOR IRAQ

(In millions of dollars)

	GSM-102	GSM-103	Total
Fiscal year:			
1983	364.5	0	364.5
1984	646.1	0	656.1
1985	340.1	0	340.
1986	392.9	9.7	392.9
1987	652.5	85.1	652.5
1988	1,112.1	83.3	1,113.1
1989	1,088.8	38.4	1,088.8
1990	495.4	0	481.2
Total	4,862.7	216.5	5,079.2

On August 2, 1990, the USDA suspended Iraq from the GSM-102/103 Program. As of the latest reading, the total GSM Program exposure to Iraq is approximately \$2 billion. Of this amount, CCC owes BNL between \$347 million—BNL says \$382 million—because of Iraqi nonpayment.

BNL, IRAQ, AND CCC

BNL had extensive dealings with high level Iraqis. Employees of BNL frequently visited Iraq and high-ranking government officials often made trips to the United States to meet with BNL employees.

After BNL was raided by Government officials in August 1989, the Department of Agriculture was alerted to what appeared to be irregularities in the BNL/Iraqi GSM 102-103 Programs. CCC investigated several irregularities which included:

First, unusually high prices obtained by exporters in connection with 102 sales to Iraq involving BNL;

Second, shifting of some freight and freight financing costs to CCC, thus lowering the amount of guarantee authority under the 102 Program that could be used by others;

Third, utilization of after-sales services in violation of CCC regulations;

Fourth, Iraq requiring exporters to pay a stamp tax, a policy that is supposed to be prohibited under the 102 Program.

Upon concluding its review, CCC asked the USDA's Office of Inspector General to conduct a thorough investigation of all CCC-guaranteed sales to Iraq. CCC will take the appropriate administrative or civil action in the event that the OIG report disclose wrongful violation of program requirements. The CCC is also waiting for the results of the Justice Department's ongoing criminal investigation of BNL when more information will become available.

BNL is also being investigated for links to several tobacco exporting companies that have pled guilty or are being investigated for shipping foreign source tobacco to Iraq in violation of CCC Program regulations. BNL financing of illegal sugar exports is also under review. To date, the CCC has not suspended BNL from participating in the GSM-102/103 Program.

The following sections explain the Eximbank Credit Guarantee Program Iraq participated in with BNL.

IRAQ UTILIZATION OF EXPORT-IMPORT BANK PROGRAMS

Like the GSM-102/103 Programs, Iraq used BNL to finance many of its imports transactions using Eximbank insurance programs. Eximbank finances U.S. exports by providing guarantees, insurance, and loan support. The Eximbank programs utilized by Iraq include the short-term single buyer policy which was utilized mainly by American exporters, and the bank letter of credit insurance policy which

was utilized by banks like BNL. Both programs indemnify the insured party—a United States exporter or a bank—against the risk of Iraqi nonpayment.

From July 1987 to August 2, 1990, the Export-Import Bank [Eximbank] provided Iraq with \$200 million of short-term insurance coverage, insuring against Iraqi nonpayment for up to 360 days. In testimony before the House Banking Committee, Eximbank officials stated, " * * * we cautiously opened in Iraq only for short-term insurance despite tremendous pressure from the American business community as well as competition from foreign export credit agencies * * * " Eximbank also received tremendous pressure from the Government of Iraq, which was continually requesting that Eximbank expand its coverage to include medium- and long-term insurance coverage.

Eximbank was cautious about its exposure to Iraq because of a history of Iraqi payment delinquencies. In fact, for 18 months prior to opening with Iraq in 1987, Eximbank had suspended Iraq because of payment delinquencies. As recent as July 20, 1990, Eximbank had to pay an exporter \$53,000 because of Iraqi refusal to make good on a contract insured by Eximbank.

In total, Eximbank has insured hundreds of millions of dollars of exports to Iraq. The current Eximbank exposure to Iraq is \$73.5 million, of which \$55 million is for amounts outstanding and \$18.5 million represents potential exposure. The potential exposure of \$18.5 million relates to shipments which did not take place prior to August 2, 1990. Since these exports were banned, Eximbank should be able to take these guarantees off its books.

Under the Eximbank Letter of Credit Program with Iraq, BNL was insured for 51 export transactions with a dollar value of \$47 million. Of this amount \$43.8 million has been repaid by Iraq. Eximbank currently owes BNL the remaining \$3.2 million because Iraq defaulted on several letters of credit that were funded by BNL and insured by Eximbank.

BNL LOANS FOR IRAQI RECONSTRUCTION PROGRAM

Officials from the Atlanta office of BNL had developed a close working relationship with high-level Iraq Government officials due to BNL participation in the CCC Credit Guarantee Program. As the war with Iran ended in 1988, BNL Atlanta was asked to take a bigger role in the reconstruction program by financing noncommodity exports to Iraq. While these loans were supposed to help rebuild the Iraqi civilian economy, many went to improve the Iraqi war machine.

Lending under these agreements took the form of four "medium-term loan agreements [MTL's] signed with the Central Bank of Iraq [CBI]. These loans

had 5- to 7-year maturities and 2- to 5-year grace periods. BNL was able to borrow such large amounts of money because of its reputation and, more importantly, its top-notch credit rating. The loan agreements are summarized below.

Note	Date	Amount
MTL I	2/22/88	\$200 million.
MTL II	10/6/88	300 million.
MTL III	12/3/88	500 million.
MTL IV	4/8/89	1.155 billion.

By the time regulators raided BNL a majority of the loans had already been disbursed. Disbursement took several forms. Sometimes BNL paid exporters directly. Sometimes the Central Bank of Iraq would pay an exporter directly and then BNL would make a payment to the CBI's account at a U.S. bank that covered the dollar equivalent of all foreign currency payments made by CBI. Other times, BNL would lend directly to CBI by placing funds in CBI accounts.

As of January 1990, a total of \$1.55 billion had been drawn and committed under these agreements. After the raid, Iraq still insisted that BNL make good on the remaining loans still outstanding under the agreements. After months of intense negotiations, on January 24, 1990, BNL and Iraq renegotiated the four MTL's. They agreed that the residual \$600 million or so would be utilized for new transactions, two-thirds of which would finance projects, the supplies and services coming from Italian firms and one-third could be used for purchases from other countries.

You might wonder why BNL renegotiated the loans. It's simple, under international law the contracts signed with BNL were valid. So Iraq threatened not to repay the money it already owed to BNL unless BNL made good on the remaining balance of the loans.

INTRODUCTION TO IRAQI TECHNOLOGY PROCUREMENT NETWORK

Besides providing an example of botched bank supervision, BNL provides an example of a less evident, but more more profound policy failure; the failure to stop arms proliferation.

The spread of ever more sophisticated weaponry—including chemical, biological, and nuclear weapons—and of the missiles capable of carrying them, represents a growing danger to international security. Arms proliferation exacerbates and fuels regional tensions, complicates U.S. defense planning, and poses ever greater dangers to U.S. forces and facilities abroad.

The West's policy toward Iraq is a case study in the dangers of failing to stop arms proliferation. Many of our coalition partners sold weapons directly to Iraq. The United States and many coalition partners, either directly or indirectly, provided Iraq with the technology and know-how needed to build and improve the very weapons

capability we are now engaged in destroying.

A recent episode of the ABC-TV show "20/20" highlights the dangers of allowing sophisticated U.S. technological know-how to get into the wrong hands. A U.S. company developed a feared weapon called a "cluster bomb." The United States had prohibited the sale of this bomb to Iraq, but this did not stop Iraq.

Arms dealers apparently bought the know-how to produce the cluster bomb from the American company that developed the bomb for the U.S. military. The arms dealers then modified the plans slightly, applied and were granted a U.S. patent, and then sold the plans to other arms dealers outside the United States, who built a cluster bomb factory. Iraq was grateful; it purchased thousands of bombs and may have even built its own bomb factory. Needless to say, the Iraqi cluster bombs now threaten the lives of our soldiers in the gulf.

Third world nations like Iraq, wishing to obtain dominance in their regions by using the military might, too often do not have to rely on obtaining the weapons of mass destruction directly.

Instead, these nations take advantage of nonexistent or poorly enforced export control laws in the West to obtain the technology and know-how to build weapons facilities on their own home soils. Iraq was one such nation.

IRAQIS SUCCESSFUL IN OBTAINING WESTERN TECHNOLOGY

The Iraqi's were quite successful in obtaining western technology. During the 1980's, Iraq established ownership or control of a sophisticated network of United States and European front companies whose primary mission was to obtain western military technology and know-how and export it back to Iraq. The Iraqis were very secretive in their dealings and were careful to conceal their true affiliation.

An example of the success of this network is the Taji Complex, a cannon factory outside of Baghdad. This project was long considered a civilian industrial complex, and many western nations provided the technology and know-how to build it. Last year, a German Government investigation concluded Taji was meant for the manufacture of gun barrels. Many European and United States companies provided technology for this plant.

Hopefully, coalition air forces have destroyed the Taji Complex. But the Taji Complex is just one example of the Iraqi strategy. Over the next several months I will acquaint you with other Iraqi military applications made possible by Western technology and BNL financing.

A recent example of a company linked to the Iraqi network is the Cleveland, Ohio-based machine tool company, Matrix-Churchill. Iraqis se-

cretely owned Matrix-Churchill and its affiliate in England and used both to obtain computer-controlled lathes and other industrial machinery that went into the Taji Cannon Complex.

Upon gaining control of the Cleveland-based Matrix-Churchill, the Iraqi's set up a procurement division within the company. The procurement side of the company received its orders, mostly in Arabic, directly from Baghdad. It was apparently charged with finding other United States companies that would build industrial plants in Iraq. Matrix-Churchill helped find U.S. contractors to build a Fiberglass plant and sophisticated cutting tool plant in Iraq. The cutting plant may have been used to manufacture parts with nuclear applications, while the Fiberglass plant was supposedly used to produce missile casings.

Ironically, the U.S. Government and our Western allies often granted export licenses for such plants, thus permitting countries like Iraq access to such sophisticated technology. This was the case with the above plants. The United States Customs Service confiscated Matrix-Churchill in September 1990, calling it an "Iraqi front company."

HUNDREDS OF SUCH COMPANIES?

It is likely that the Iraqi network used dozens of United States and European companies to supply the needed technology and know-how to upgrade Iraqi military capability. It is debatable whether or not these companies knew the ultimate destination of their products. Some probably did; some probably did not. These companies were often lured into supplying Iraq by higher than normal profits and even bribes.

WHERE WAS THE INTELLIGENCE COMMUNITY?

As I stated earlier, it is hard to believe that the United States intelligence community or that of our allies did not know about the applications of technology being transferred to Iraq. It is also hard to believe BNL escaped the attention of the intelligence community. These organizations monitor overseas telexes and phone conversations. Did they fail to discover the over 3,000 telexes between BNL and Iraqi Government agencies, many providing information detailing loans to companies that were building the Taji complex and other military related projects within Iraq?

They also monitor travel between the United States and Iraq. Did they fail to discover the many visits BNL employees made to Iraq and vice versa, and the purpose of such visits?

Given the magnitude of the loans to Iraq, and the projects that some of the loans were going to finance, one would almost be justified in asking the question: If the United States and Western intelligence community did not know about BNL, did they fail to do their job properly?

Obviously, many exporters knew they were building or supplying machinery and know-how to weapons plants in Iraq. If it was common knowledge among exporters that many of the supposed "industrial facilities" in Iraq, like the Taji complex, were actually military plants, one would think the Western intelligence community would know about these plants? I would also like to think our Government would have severely reprimanded Iraq for such activities. Maybe the United States intelligence community did not know, because Iraq was never severely penalized.

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Mr. Speaker, at the end of my remarks I am including some tables and also copies of correspondence between the Honorable Richard L. Thornburgh, the Attorney General of the United States, and myself. Let me say that the Attorney General was very, very much opposed to my calling and holding the hearings last November.

My colleagues can read what I said by way of explanation in this letter. I will just read the first paragraph. I said to the Attorney General: "The purpose of this letter is to respond to your letter of September 26, 1990, and to express my distress over your apparent lack of understanding of the investigative and legislative functions of the Congress."

Mr. Speaker, there is only one of the three basic constitutional powers inherent in the Congress and not delegatable that has remained, I would say, fairly intact and upheld by Supreme Court decision after Supreme Court decision, and that one is the right for the Congress to know, seek, and obtain information. Our purpose is legislative because we have the task of having to plug this tremendous hole in our regulatory structure that allows, even now as I speak, close to 600 billion dollars' worth of credit resources in this country to be used in a way that may not be perceived now any more than it was before August 2, 1990.

Mr. Speaker, the tables and correspondence to which I referred are included as follows:

BNL PARTICIPATION IN CCC PROGRAMS

TABLE L-1.—ANNOUNCED AVAILABILITY OF ALL-RISK FINANCING GUARANTEES APPLICABLE UNDER THE TRADITIONAL CCC EXPORT CREDIT GUARANTEE PROGRAM (GSM-102) DURING FISCAL YEAR 1983

[In millions of dollars]		
Country and commodity	Announced value of all-risk financing guarantees availability	Announced period of coverage (months)
Iraq:		
Wheat/flour	137.0	36
Rice	80.0	36
Feed grains	13.0	36
.....	47.33	.....

TABLE K-1.—ANNOUNCED COMMERCIAL CREDIT LINES—BY COUNTRY AND COMMODITY DURING FISCAL YEAR 1984

[In millions of dollars]						
Country and commodity	GSM—102 guarantees			Direct credit GSM-5	Total (102 and 5)	Credit period months
	Straight	Blended	Total			
Iraq:						
Feed grains	168.4	.....	168.4	.....	168.4	36
Seeds, planting	10.0	.....	10.0	.....	10.0	36
Protein meal	86.4	.....	86.4	.....	86.4	36
Rice	197.0	.....	197.0	.....	197.0	36
Tobacco	17.0	.....	17.0	.....	17.0	36
Wheat	203.0	.....	203.0	.....	203.0	36
Subtotal	681.8	0.0	681.8	0.0	681.8	.....

TABLE K-1.—ANNOUNCED COMMERCIAL CREDIT LINES—BY COUNTRY AND COMMODITY DURING FISCAL YEAR 1984

[In millions of dollars]				
Country and commodity	GSM—102 guarantees			Credit period (months)
	An-nounced	Registered	Balance	
Iraq:				
Beef/poultry parts	9.00	0	9.00	.....
Corn	45.00	5.20	39.80	36
Feed grains	60.00	0	60.00	.....
Fruits/veg. canned	3.00	0	3.00	.....
Lentils	11.00	2.80	8.20	36
Livestock, breeding	15.00	.90	14.10	36
Meats, canned	2.00	0	2.00	.....
Oilseeds	7.50	0	7.50	.....
Planting seeds	12.00	11.40	0.60	36
Potatoes	3.00	0	3.00	.....
Protein meal	107.50	16.50	91.00	36
Rice	180.00	178.80	1.20	36
Sugar	20.00	14.70	5.30	36
Tallow/grease	15.00	4.40	10.60	36
Tobacco	25.00	13.70	11.30	36
Veg. oils	5.00	3.20	1.80	36
Wheat	160.00	88.50	71.50	36
Subtotal	680.00	340.10	339.90	.....

TABLE K-1.—ANNOUNCED COMMERCIAL CREDIT LINES—BY COUNTRY AND COMMODITY DURING FISCAL YEAR 1986

[In millions of dollars]				
Country and commodity	GSM—102 guarantees			Credit period (months)
	An-nounced	Reg-istered	Balance	
Iraq:				
Beans, dry edible/peas/lentils	15.0	8.2	6.8	36
Corn	64.3	33.0	31.3	36
Cotton and/or cotton yarns/wool	20.0	15.6	4.4	36
Hides and/or skins and leather	16.0	11.4	4.6	36
Oilseeds/protein meals and/or protein concentrates of veg./animal origin	51.0	36.4	14.6	36
Planting seeds	12.0	11.2	0.8	36
Rice	115.0	91.9	23.1	36
Soft drink concentrate	7.0	6.8	.2	36
Sugar (U.S. grown & refined)	23.0	22.5	.5	36
Veg. oils and/or tallow	24.0	24.0	0	36
Wheat	110.0	107.5	2.5	36
Wheat flour	17.7	14.7	3.0	36
Subtotal	475.0	383.2	91.8	36

TABLE K-1A.—ANNOUNCED COMMERCIAL CREDIT LINES—BY COUNTRY AND COMMODITY DURING FISCAL YEAR 1986

[In millions of dollars]				
Country and commodity	GSM—103 guarantees			Credit period (years)
	An-nounced	Reg-istered	Balance	
Iraq:				
Tobacco	15.0	0.0	15.0	4.7

TABLE K-1A.—ANNOUNCED COMMERCIAL CREDIT LINES—BY COUNTRY AND COMMODITY DURING FISCAL YEAR 1986—Continued

[In millions of dollars]				
Country and commodity	GSM—103 guarantees			Credit period (years)
	An-nounced	Reg-istered	Balance	
Breeder livestock	10.0	9.7	0.3	4.5
Subtotal	25.0	9.78	15.3	.....

TABLE K-1.—ANNOUNCED COMMERCIAL CREDIT LINES—BY COUNTRY AND COMMODITY DURING FISCAL YEAR 1987

[In millions of dollars]				
Country and commodity	GSM—102 guarantees			Credit period (months)
	An-nounced	Reg-istered	Balance	
Iraq:				
Barley	10.0	6.7	3.3	36
Beans/peas lentils, dry edible	12.5	12.4	.1	36
Corn	6.4	56.3	.1	36
Cotton and/or cotton yarns	30.0	17.0	13.0	36
Hides and/or skins (including a full range of further processed commodities such as wet blue hides and fully finished leather)	9.9	9.8	.1	36
Planting seeds	10.8	10.3	.5	36
Poultry meat, frozen	59.1	59.1	0	36
Protein concentrates (animal or vegetable origin)	17.0	16.9	.1	36
Protein meals	55.9	55.9	0	36
Rice	107.9	107.8	.1	36
Soft drink and/or fruit juice concentrate	13.0	12.8	.2	36
Sugar (U.S.-grown and refined)	40.5	40.5	0	36
Tallow	9.3	9.3	0	36
Veg. oils	15.9	15.9	0	36
Wheat	88.0	82.1	5.9	36
Wheat flour	17.9	17.9	0	36
Wood products (lumber, match-sticks, pulp)	33.5	31.6	1.9	36
Wool	5.7	5.1	.6	36
Subtotal	593.3	567.4	25.9	.....

TABLE K-1A.—ANNOUNCED COMMERCIAL CREDIT LINES—BY COUNTRY AND COMMODITY DURING FISCAL YEAR 1987

[In millions of dollars]				
Country and commodity	GSM—103 guarantees			Credit period (years)
	An-nounced	Reg-istered	Balance	
Iraq:				
Breeder livestock (incl. breeder chicks and/or hatching eggs)	8.0	7.4	.6	4-7
Eggs, table	10.0	9.4	.6	4-5
Protein concentrates (animal or vegetable origin)	44.0	44.0	0	4-7
Tobacco	25.0	24.3	.7	4-7
Subtotal	87.0	85.1	1.9	.....

TABLE K-1.—ANNOUNCED COMMERCIAL CREDIT LINES, BY COUNTRY AND COMMODITY, DURING FISCAL YEAR 1988

[In millions of dollars]

Country and commodity	GSM-102 guarantees			Credit period (months)
	An-nounced	Reg-istered	Balance	
Iraq:				
Barley	13.0	13.0	0	36
Barley malt, hops and/or hop extract	0.8	0.8	0	36
Beef, frozen (incl. frozen beef and lamb variety meats)	2.77	2.77	0	36
Concentrates (fruit juice and/or soft drink)	8.2	8.1	.1	36
Corn thickeners	.56	.56	0	36
Cotton and/or cotton yarns	59.79	59.79	0	36
Feed grains	113.60	113.60	0	36
Hides and/or skins	2.1	2.1	0	36
Infant milk formula	4.8	4.8	0	36
Leather (semi and/or fully-finished—incl. a full range of further processed commodities such as crust leather)	5.82	5.82	0	1720
Lumber	53.40	53.40	0	36
Milk powder, dry (full fat)	16.2	16.2	0	36
Plantings seeds	12.50	12.43	.07	36
Protein concentrates (animal or vegetable origin)	48.2	48.2	0	36

TABLE K-1.—ANNOUNCED COMMERCIAL CREDIT LINES, BY COUNTRY AND COMMODITY, DURING FISCAL YEAR 1988—Continued

[In millions of dollars]

Country and commodity	GSM-102 guarantees			Credit period (months)
	An-nounced	Reg-istered	Balance	
Protein meals	85.4	85.4	0	36
Pulses (dry edible peas, beans, lentils)	16.17	16.17	0	36
Rennet, natural calf (U.S.)	.5	.3	.2	36
Rice	265.98	265.98	0	36
Sugar (U.S.-grown and re-fined)	68.0	67.5	.5	36
Tallow	14.18	14.18	0	36
Veg. oils	26.52	26.52	0	36
Wheat	134.59	134.59	0	36
Wood cants (U.S.)	2.9	2.9	0	36
Wood products, solid (ply-wood)	21.14	21.14	0	12
Wood pulp	46.2	46.2	0	36
Wool/wool yarn	7.41	7.41	0	36
Undesignated	10.77	0	10.77	
Subtotal	1,041.50	1,029.86	11.64	

¹ Days.

TABLE K-1A.—ANNOUNCED COMMERCIAL CREDIT LINES, BY COUNTRY AND COMMODITY, DURING FISCAL YEAR 1988

[In millions of dollars]

Country and commodity	GSM-103 guarantees			Credit pe-riod (years)
	An-nounced	Reg-istered	Balance	
Iraq:				
Breeder livestock (incl. breeder chicks and hatching eggs)	35.4	32.3	3.1	4-7
Protein con-centrates (animal or vegetable origin)	22.7	24.1	3.5	4-7
Tobacco	26.9	26.9	0.0	4-7
Subtotal	90.0	83.3	6.7	

BNL PARTICIPATION IN EXPORT-IMPORT BANK PROGRAMS

Insname	Supname	City, and State	Import name	Products	Amount cleared	Date authorized
BNL-Atlanta	Petrogen Intl Ltd	Richmond, VA	ST ENT Iron & Steel	Oxy-Gas Cutting Torches	230,000	Feb. 23, 1988
BNL-Atlanta	Gould Electronics	Woodbridge, NJ	Iraqi Grain Board	Spare Parts for elect equip	195,614	Feb. 25, 1988
BNL-Atlanta	Ransome Company	Houston, TX	Oil Equipment Co	Arc Welding equipment	283,193	Apr. 8, 1988
BNL-Atlanta	Marnerwood Ltd	Baltimore, Md	Rayson State Estab	Cooling plant parts	144,884	Apr. 12, 1988
BNL-Atlanta	Trading & Inv Corp	Charlotte, NC	Al Hilal Ind Estab	Air cooler parts	352,560	May 11, 1988
BNL-Atlanta	Snap-On Tools	Kenosha, WI	Light Industries Co	Spare parts	217,090	May 11, 1988
BNL-Atlanta	RD & D Intl Inc	Vienna, VA	Sadam Gen Estabmt	Machine Tools and Tech svcs	3,805,938	May 11, 1988
BNL-Atlanta	CDP Intl Inc	Sydney, OH	Iraqi Trading Co	A/C compressors	1,928,505	May 11, 1988
BNL-Atlanta	Lobel Chemical Corp	New York, NY	St Org Mech & Ag Sup	Herbicide	247,005	May 11, 1988
BNL-Atlanta	Ransome Company	Houston, TX	Oil Equipment Co	(12) Welding machines	15,584	May 17, 1988
BNL-Atlanta	Telwar Intl Inc	Nashville, TN	Modern Paint Indust	Chem raw mat and solvents	806,423	May 17, 1988
BNL-Atlanta	West Point	West Point, GA	St Establish Cotton	Spare parts for Looms	20,108	May 25, 1988
BNL-Atlanta	Munradtech Ltd	North Cement St Ent	North Cement St Ent	(2) 35 ton dump trucks	297,926	May 25, 1988
BNL-Atlanta	Mobayt Crop Dyes	Rock Hill, SC	St Est Leather Ind	Leather dyes	59,500	May 25, 1988
BNL-Atlanta	Bristol Myers Intl		St Co. Drugs & Med Ap	Pharmaceuticals	348,750	June 7, 1988
BNL-Atlanta	Videojet System Intl	Elk Grove Village, IL	St Ent Beverages	Coding machine and parts	45,487	June 14, 1988
BNL-Atlanta	McNeil Akron, Inc	Akron, OH	New Tyres Project	(26) Tube presses	1,796,448	June 14, 1988
BNL-Atlanta	Breezevale Inc	Woodbridge, NJ	Iraqi Trading Co	Tires and tubes	5,249,649	June 21, 1988
BNL-Atlanta	Copeland Intl Inc		Iraqi Trading Co	A/C compressors	147,120	June 23, 1988
BNL-Atlanta	Breezevale Inc	Woodbridge, NJ	Iraqi Trading Co	Tires and tubes	683,194	June 29, 1988
BNL-Atlanta	Gould Electronics	North, MA	Genl Cement St Ent	Controller modicum	127,942	June 29, 1988
BNL-Atlanta	American Textile	Gastonia, NC	St Est for Cotton	Polyester yarn	1,210,000	July 18, 1988
BNL-Atlanta	Cyanamid Intl Sales	Wayne, NJ	Agric Supplies	Vet pharmaceuticals	267,000	July 15, 1988
BNL-Atlanta	Med-Tek Intl	New York, NY	St Co Drugs & Medical	C. T. Scanner parts	448,009	July 15, 1988
BNL-Atlanta	Ceva Labs	Wayne, NJ	Agric Supplies	Vet pharmaceuticals	177,550	July 15, 1988
BNL-Atlanta	DOW Chemical		Agric Supplies	Lorsban and Dursban	1,497,000	July 15, 1988
BNL-Atlanta	American Ex-Im	Southfield, MI	Electronic Indust Co	Electronic parts and mat	2,100,000	July 22, 1988
BNL-Atlanta	John Deere Co		Misan St Sugar Ent	Spare parts	94,913	Aug. 3, 1988
BNL-Atlanta	Warner Lambert Co	Morris Plains, NJ	St Co Drugs & Med App	Pharmaceuticals	19,332	Aug. 4, 1988
BNL-Atlanta	Carey Agri Intl	Brandon, FL	Agric Supplies Co	Embryo Transfer Supplies	72,740	Oct. 31, 1988
BNL-Atlanta	West Point Foundry	West Point, GA	St Est Cotton	Spare parts	33,803	Oct. 31, 1988
BNL-Atlanta	Singer Products	Great Elk, NY	St Battery Manuf	Spare parts	80,244	Oct. 31, 1988
BNL-Atlanta	Draper Corp	Spartanburg, NC	St Est Cotton	Spare parts	77,326	Oct. 31, 1988
BNL-Atlanta	Al Haddad	Des Plaines, IL	St Ent Pup & Paper	Rubber blankets	67,143	Oct. 31, 1988
BNL-Atlanta	Al Hadad	Nashville, TN	St Ent Pulp & Paper	Reed Cutter knives	67,494	Oct. 31, 1988
BNL-Atlanta	Nash Intl Co	Norwalk, CT	St Ent Pulp & Paper	Vacuum pumps	313,760	Oct. 31, 1988
BNL-Atlanta	Al Haddad	Nashville, TN	St Ent Pulp & Paper	Paper and board mach blades	48,272	Oct. 31, 1988
BNL-Atlanta	EMU Inc	Des Plaines, IA	St Est Leather Ind	Various chemicals	332,820	July 26, 1988
BNL-Atlanta	Telwar Intl	Nashville, TN	Modern Paint Indust	Paint solvent and thinner	179,200	June 29, 1988
BNL-Atlanta	EMU Inc	Buffalo, NY	St Est Leather Ind	Varnish, wax and paint	326,670	July 18, 1988
BNL-Atlanta	Carey Agri	Brandon, FL	Agric Supplies Co	Vet pharmaceuticals	1,233,870	Nov. 17, 1988
BNL-Atlanta	Cyanamid Intl	Wayne, NJ	Agric Supplies Co	20 tons of autofac	178,000	Nov. 17, 1988
BNL-Atlanta	Stork Gamco		Agric Supplies Co	Spare parts	1,050,234	Nov. 29, 1988
BNL-Atlanta	Amer Cast Iron Pipe	Birmingham, AL	Amanat Baghdad	Ductile iron pipe	6,000,000	Dec. 20, 1988
BNL-Atlanta	Draper Corp	Spartanburg, SC	St Est Cotton Indust	Spare parts	96,213	Feb. 9, 1989
BNL-Atlanta	Top Value	Mount Vernon, NY	St Co Drugs & Med App	Spare parts	700,084	Feb. 9, 1989
BNL-Atlanta	EMU Inc	Buffalo, NY	St Est Leather Indus	Collophane and dry pexol	19,400	Feb. 9, 1988
BNL-Atlanta	Telwar Intl	Nashville, TN	Modern Paint Indust	Chem raw materials	9,712,000	Apr. 10, 1989
BNL-Atlanta	WVR Scientific	San Francisco, CA	Agric Supplies Co	Lab Equipment	126,848	June 27, 1989

Source: Eximbank Oct. 12, 1990.

OFFICE OF THE ATTORNEY GENERAL,
Washington, DC, September 26, 1990.
Hon. HENRY B. GONZALEZ,
Chairman, Committee on Banking, Finance,
and Urban Affairs, U.S. House of Rep-
resentatives, Washington, DC.

DEAR MR. CHAIRMAN: The purpose of this letter is to express my profound disappointment in your decision to ignore the strong objections of this Department in the Banca Nazionale del Lavoro (BNL) matter. I am similarly distressed by your refusal last evening to discuss the matter with me.

Your intention to schedule a hearing for October 9th on the investigation of unauthorized loans to Iraq by BNL and the request to interview both the Assistant United States Attorney and the government witnesses in the case raises the prospect that culpable parties will elude prosecution. Your staff is fully aware of the existence of our ongoing criminal investigation and the likely impact that these actions will produce on our efforts.

As you should be aware, this is a sensitive case with national security concerns. The United States Attorney in Atlanta advises

me that both witness security and the willingness of witnesses to continue to cooperate with the investigation and prosecutions will be jeopardized by your Congressional staff interviews and hearing.

Mr. Chairman, a decision to proceed with these interviews and the hearing at this time significantly diminishes the Department's ability to successfully prosecute this matter. Accordingly, we again request that your staff work with the Department to find alternatives that allow both the legislative

and the law enforcement processes to function.

Sincerely,

DICK THORNBURGH,
Attorney General.

COMMITTEE ON BANKING, FINANCE
AND URBAN AFFAIRS,
Washington, DC, September 28, 1990.

Hon. RICHARD L. THORNBURGH,
Attorney General, Washington, DC.

DEAR MR. ATTORNEY GENERAL: The purpose of this letter is to respond to your letter of September 26, 1990, and to express my distress over your apparent lack of understanding of the investigative and legislative functions of the Congress.

On September 21, 1990, I agreed to allow my staff to meet with your staff to discuss the Justice Department's concerns related to the Banking Committee's investigation of the Atlanta Agency of Banca Nazionale Del Lavoro (BNL). During, and subsequent to this meeting, your staff was unable to comply with my request for specific justification for suspending this most important inquiry.

Specifically, the Justice Department failed to reveal how interviewing employees from the Federal Board, the Federal Reserve Bank of Atlanta, the Department of Banking and Finance of the State of Georgia, and current and former employees of BNL would, as your letter states, "significantly diminish the Justice Department's ability to successfully prosecute this matter." In addition, the Justice Department failed to demonstrate how the Banking Committee's investigation would jeopardize the personal security of witnesses or inhibit their cooperating with the Justice Department's investigation of BNL.

As Chairman of the Banking Committee, I am concerned that the regulation and examination of the U.S. branches and agencies of foreign banks (see the International Banking Act 92 Stat. 607) is inadequate. These entities command over \$500 billion in assets in the U.S., and a significant portion of their liabilities are guaranteed by the Federal Deposit Insurance Corporation (FDIC). The magnitude of the BNL fiasco (i.e., \$2.8 billion in unauthorized loans to Iraq), while not directly posing a risk of the FDIC, certainly raises the question of the adequacy of state and federal regulation and oversight of these entities. Rest assured, in order to ensure the U.S. branches and agencies of foreign banks do not pose an undue risk to the already beleaguered FDIC, the Banking Committee will continue to investigate the adequacy of the regulation and examination of these entities. The BNL case provides a clear case of a regulatory breakdown that needs to be understood and addressed.

With regard to the Banking Committee's legislative interest in BNL, the Federal Reserve has notified me that the BNL investigation uncovered a loophole in the criminal code that will probably allow former employees of BNL to escape Federal prosecution for fraud, theft, embezzlement, misapplication of funds, and bribery. You can be sure that I will continue to work to correct this over decade long Justice Department oversight. I have been given permission by the Rules Committee, and I intend to offer, a Floor amendment to the crime bill that will close this loophole in the criminal code.

I hope this letter has served to properly inform you as to the Banking Committee's legislative and investigative interests in BNL. I

trust the Justice Department will provide it full cooperation.

Sincerely,

HENRY B. GONZALEZ,
Chairman.

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. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. MAZZOLI, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. GLICKMAN, for 60 minutes each day, on February 5 and 6.

Mr. BILBRAY, for 5 minutes, on February 5 and 6.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. LAGOMARSINO) and to include extraneous matter:)

Mr. GREEN of New York.

Mr. KOLBE.

Mr. GRADISON.

Mr. CLINGER.

Mr. MICHEL.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. LANTOS in two instances.

Mr. STARK in three instances.

Mr. CLEMENT.

Mr. DORGAN of North Dakota.

Mr. STOKES.

Mr. PENNY.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mrs. LLOYD in five instances.

Mr. HAMILTON in 10 instances.

Mr. DE LA GARZA in 10 instances.

Mr. MATSUI in three instances.

Mr. ERDREICH.

Mr. HOCHBRUECKNER.

ENROLLED BILL SIGNED

Mr. ROSE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 556. An act to provide for the Secretary of Veterans Affairs to obtain independent scientific review of the available scientific evidence regarding associations between diseases and exposure to dioxin and other chemical compounds in herbicides, and for other purposes.

SENATE BILL REFERRED

[Omitted from the Congressional Record of Thursday, January 31, 1991]

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 296. An act 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; Committee on the Judiciary.

ADJOURNMENT

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 23 minutes p.m.), the House adjourned until tomorrow, Tuesday, February 5, 1991, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

537. A letter from the Deputy Assistant Secretary (Communications, Computers and Logistics), Department of the Air Force, transmitting notification of the decision to convert to contractor performance the military family housing maintenance function at Little Rock Air Force Base, AR, pursuant to Public Law 100-463, sections 8061 (102 Stat. 2270-27); to the Committee on Appropriations.

538. A letter from the Deputy Director, Defense Research and Engineering, Department of Defense, transmitting notification of one additional fiscal year 1991 test project, pursuant to 10 U.S.C. 2350a(g); to the Committee on Armed Services.

539. A letter from the Deputy Secretary of Defense, transmitting a waiver of limitation on obligation against stock funds, pursuant to Public Law 101-510, section 311; to the Committee on Armed Services.

540. A letter from the Acting Chair, the Appraisal Subcommittee, Federal Financial Institutions Examination Council, transmitting the 1990 annual report, pursuant to Public Law 101-73 section 1103(a)(4) (103 Stat. 512); to the Committee on Banking, Finance and Urban Affairs.

541. A letter from the Deputy Under Secretary for Policy, Planning and Analysis, Department of Energy, transmitting the Department's notification that the report on energy projections will be forthcoming no later than July 31, 1991, pursuant to 42 U.S.C. 7361(a); to the Committee on Energy and Commerce.

542. A letter from the Assistant General Counsel, Department of Energy, transmitting a notice of a meeting related to the International Energy Program to be held on January 24, 1991, at the OECD, in Paris, France; to the Committee on Energy and Commerce.

543. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting a copy of Presidential Determination No. 91-12, authorizing the furnishing of assistance from the emergency refugee and migration assistance fund for unexpected urgent needs

of refugees and conflict victims in Africa and the Middle East, pursuant to 22 U.S.C. 2601(c)(3); to the Committee on Foreign Affairs.

544. A letter from the Director, Defense Security Assistance Agency, transmitting a report of those foreign military sales customers with approved cash flow financing in excess of \$100 million as of October 1, 1990, pursuant to 22 U.S.C. 2765(a); to the Committee on Foreign Affairs.

545. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting copies of the original report of political contributions of Katherine Shirley, of Illinois, to be Ambassador to the Republic of Senegal, and members of her family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

546. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

547. A letter from the Board for International Broadcasting, transmitting a copy of the Board for International Broadcasting 1991 annual report; to the Committee on Foreign Affairs.

548. A letter from the Administrator, Cost Accounting Standards Board, transmitting the first annual report, pursuant to Public Law 100-679, section 5(a) (102 Stat. 4062); to the Committee on Government Operations.

549. A letter from the Chairman, Advisory Commission on Intergovernmental Relations, transmitting the Commission's 32d annual report of the Advisory Commission on Intergovernmental Relations, pursuant to 42 U.S.C. 4275(3); to the Committee on Government Operations.

550. A letter from the Acting Cochairman, Appalachian Regional Commission, transmitting a report of the Commission's compliance with the requirements of the internal accounting and administrative control system, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

551. A letter from the Chairman, Commodity Futures Trading Commission, transmitting a report of the agency's compliance with the requirements of the internal accounting and administrative control system, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

552. A letter from the Executive Assistant, Mississippi River Commission, Corps of Engineers, Department of the Army, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1990, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

553. A letter from the President, Export-Import Bank, transmitting a report of the Bank's compliance with the requirements of the internal accounting and administrative control system, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

554. A letter from the Chairman, Merit Systems Protection Board, transmitting a copy of the annual report in compliance with the Government in the Sunshine Act during the calendar year 1990, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

555. A letter from the Chairman, National Labor Relations Board, transmitting a report of the agency's compliance with the requirements of the internal accounting and administrative control system, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

556. A letter from the Executive Secretary, National Security Council, transmitting a report on its activities under the Freedom of Information Act for calendar year 1990, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

557. A letter from the Staff Director, U.S. Commission on Civil Rights, transmitting a report of the agency's compliance with the requirements of the internal accounting and administrative control system, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Operations.

558. A letter from the Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting a report on six compensatory royalty agreements relating to oil or gas which were entered into during fiscal year 1990 involving unleased Government lands, pursuant to 30 U.S.C. 226(g); to the Committee on Interior and Insular Affairs.

559. A letter from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting a proposed plan for the use of the Seminole Nation of Oklahoma judgment funds, pursuant to Public Law 101-277, section 3(a) (104 Stat. 143); to the Committee on Interior and Insular Affairs.

560. 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.

561. 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.

562. 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.

563. A letter from the Assistant Attorney General for Legislative Affairs, Department of Justice, transmitting the Department's annual report on the assets forfeiture fund for the fiscal year 1990, pursuant to 28 U.S.C. 524(c)(6)(A); to the Committee on the Judiciary.

564. A letter from the Chairman of the Board, Panama Canal Commission, transmitting the Commission's report, including unaudited financial statements, covering the operations of the Panama Canal during fiscal year 1990, pursuant to 22 U.S.C. 3722; to the Committee on Merchant Marine and Fisheries.

565. A letter from the Director, Office of Personnel Management, transmitting a copy of the fiscal year 1990 report on the implementation of the Federal Equal Opportunity Recruitment Program, pursuant to 5 U.S.C. 7201(e); to the Committee on Post Office and Civil Service.

566. A letter from the Secretary of Veterans Affairs, transmitting a draft of proposed legislation to amend title 38, United States Code, to expand eligibility for readjustment counseling services furnished by the Department of Veterans Affairs to veterans who are serving in Operation Desert Storm, or who served during other periods of armed hostilities after the Vietnam era; to the Committee on Veterans' Affairs.

567. A letter from the Acting Chairman, U.S. International Trade Commission, trans-

mitting the Commission's 64th quarterly report on trade between the United States and nonmarket economy countries, pursuant to 19 U.S.C. 2441(c); to the Committee on Ways and Means.

568. A letter from the Secretary of Defense, transmitting a copy of Presidential exemptions in the interest of national defense, relating to apportionments, internal accounting controls, and use of authority to provide for the cost of an airborne alert and increased military personnel, pursuant to 10 U.S.C. 2201; jointly, to the Committees on Armed Services and Appropriations.

569. A letter from the Chairman, Advisory Committee on Reactor Safeguards, Nuclear Regulatory Commission, transmitting a report on various issues of the Safety Research Program of the Nuclear Regulatory Commission, pursuant to 42 U.S.C. 2039; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

570. 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.

571. A letter from the Comptroller General of the United States, transmitting a report on the assignment or detail of General Accounting Office employees to congressional committees as of January 11, 1991; jointly, to the Committees on Government Operations and Appropriations.

572. A letter from the Executive Director, U.S. Holocaust Memorial Council, transmitting a draft of proposed legislation to authorize appropriations to carry out the programs of the U.S. Holocaust Memorial Council; jointly, to the Committees on House Administration, Interior and Insular Affairs, and Post Office and Civil Service.

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. STOKES (for himself, Mr. LEWIS of California, Mr. DYMALLY, and Mr. MFUME):

H.R. 775. A bill to establish summer science academies for talented students, particularly economically disadvantaged, minority participants, and for other purposes; jointly, to the Committees on Science, Space, and Technology and Education and Labor.

By Mr. SHARP (for himself, Mr. DINGELL, Mr. SLATTERY, and Mr. TOWNS):
H.R. 776. A bill to provide for improved energy efficiency; to the Committee on Energy and Commerce.

By Mr. SHARP (for himself, Mr. DINGELL, Mr. SLATTERY, and Mr. TOWNS):
H.R. 777. A bill to amend the Energy Policy and Conservation Act; to the Committee on Energy and Commerce.

By Mr. SHARP (for himself, Mr. DINGELL, Mr. MARKEY, Mr. SLATTERY, and Mr. TOWNS):

H.R. 778. A bill to provide additional authority to draw down the strategic petroleum reserve; to the Committee on Energy and Commerce.

By Mr. SHARP (for himself, Mr. DINGELL, Mr. SWIFT, Mr. SLATTERY, and Mr. TOWNS):

H.R. 779. A bill to increase the Nation's use of natural gas by simplifying and streamlining current regulatory requirements for new natural gas pipeline construction; to the Committee on Energy and Commerce.

By Mr. SHARP (for himself, Mr. MARKEY, Mr. SWIFT, Mr. SLATTERY, and Mr. TOWNS):

H.R. 780. A bill to amend the Internal Revenue Code of 1986 to provide incentives for generating electricity using solar, wind, or geothermal energy and to encourage energy and water conservation; to the Committee on Ways and Means.

By Mr. BUSTAMANTE:

H.R. 781. A bill to delay the planned increase in the annual deductibles for health care under the Civilian Health and Medical Program of the uniformed services until the end of the Persian Gulf conflict; to the Committee on Armed Services.

By Mr. CLINGER:

H.R. 782. A bill to amend the Federal Aviation Act of 1958 to authorize the Secretary of Transportation to reduce under certain circumstances the percentage of voting interests of air carriers which are required to be owned or controlled by persons who are citizens of the United States; to the Committee on Public Works and Transportation.

By Mr. DARDEN:

H.R. 783. A bill to amend title 28, United States Code, to make incarcerated individuals ineligible for witness fees; to the Committee on the Judiciary.

By Mr. DORGAN of North Dakota (for himself, Mr. JENKINS, Mr. CHANDLER, Mr. GRANDY, Mr. RAMSTAD, Mr. HORTON, Mr. OXLEY, Mr. VALENTINE, Mr. MACTHLEY, Ms. LONG, Mr. HEFNER, Mr. CHAPMAN, Mr. HUGHES, Mr. ZIMMER, Mr. SUNDQUIST, Mr. KLECZKA, Mr. KOLTER, Mr. JONTZ, Mr. MARTINEZ, Mr. WALSH, Mr. COMBEST, Mr. STENHOLM, Mr. PRICE, Mr. SMITH of Florida, Mr. BRUCE, Mr. FORD of Tennessee, Mr. WEBER, Mr. RAHALL, Mr. BARNARD, Mr. ENGLISH, Mr. WALKER, Mr. GEJDESON, Mr. SYNAR, Mr. JOHNSON of South Dakota, Mr. GALLEGLY, Mr. BURTON of Indiana, Mr. EMERSON, Mr. HALL of Texas, Mrs. BYRON, Ms. PELOSI, Mr. TORRES, Mr. MOLLOHAN, Mr. KOSTMAYER, Mr. PETERSON of Minnesota, and Mr. FOGLIETTA):

H.R. 784. A bill to amend the Internal Revenue Code of 1986 to extend the deduction for health insurance costs of self-employed individuals for an indefinite period, and to increase the amount of such deduction; to the Committee on Ways and Means.

By Mr. GREEN of New York:

H.R. 785. A bill to amend the Internal Revenue Code of 1986 to make it clear that housing cooperatives are exempt from the provisions of section 277 of such code; to the Committee on Ways and Means.

By Mr. HOCHBRUECKNER:

H.R. 786. A bill to provide for full statutory wage adjustments for prevailing rate employees, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. LEVIN of Michigan (for himself, Ms. KAPTUR, Mr. REGULA, and Mrs. COLLINS of Illinois):

H.R. 787. A bill to amend the Trade Act of 1974 to strengthen and expand the authority of the U.S. Trade Representative to identify trade liberalization priorities, and for other purposes; jointly, to the Committee on Ways and Means and Energy and Commerce.

By Mrs. LLOYD (for herself, Mr. MORRISON of Washington, Mr. MCEWEN, and Mr. HUBBARD):

H.R. 788. A bill to maintain a competitive, financially strong, and secure uranium enrichment capability in the United States by reorganizing the uranium enrichment enterprise, and for other purposes; jointly, to the Committees on Energy and Commerce; Interior and Insular Affairs; and Science, Space, and Technology.

By Mr. MCCLOSKEY:

H.R. 789. A bill to amend title 10, United States Code, to require the Armed Forces to provide not less than 10 minutes of free telephone calls a month for a member of the Armed Forces serving in a combat zone; to the Committee on Armed Services.

By Mr. ROYBAL:

H.R. 790. A bill to amend the Internal Revenue Code of 1986 to require tax-exempt hospitals to provide sufficient charity care and community benefits, and for other purposes; jointly, to the Committees on Ways and Means and Energy and Commerce.

By Mr. PENNY:

H.R. 791. A bill to amend the Internal Revenue Code of 1986 to require the participation in general election debates of any candidate who receives public campaign financing, and to establish criteria for participation of certain candidates in election debates; to the Committee on House Administration.

By Mr. SOLOMON:

H.R. 792. A bill to amend the Internal Revenue Code of 1986 to restore the prior law exclusion for scholarships and fellowships and to restore the deduction for interest on educational loans; to the Committee on Ways and Means.

By Mr. SWIFT (for himself, Mr. ANDREWS of Texas, Mr. BOEHLERT, Mr. BRYANT, Mr. BUSTAMANTE, Mr. DICKS, Mr. DWYER of New Jersey, Mr. FASCELL, Mr. FLAKE, Mr. FORD of Tennessee, Mr. FROST, Mr. GALLO, Mr. GILMAN, Mr. GUARINI, Mr. HOCHBRUECKNER, Mr. HORTON, Mr. HUTTO, Mr. LEHMAN of Florida, Mr. LENT, Mr. LIVINGSTON, Mr. LOWERY of California, Mr. MCCOLLUM, Mr. MCDERMOTT, Mr. MANTON, Mr. MARTIN of New York, Ms. MOLINARI, Mr. MONTGOMERY, Mr. MORRISON of Washington, Mr. MRAZEK, Mr. ORTIZ, Mr. PARKER, Mrs. PATTERSON, Mr. PAXON, Mr. RANGEL, Mr. RINALDO, Mr. ROYBAL, Mr. RUSSO, Mr. SAXTON, Mr. SKEEN, Mr. SMITH of New Jersey, Mr. SMITH of Florida, Mr. SOLOMON, Mr. STAGGERS, Mr. TAUZIN, and Mrs. UNSOELD):

H.R. 793. A bill to amend chapter 83 of title 5, United States Code, to extend the civil service retirement provisions of such chapter which are applicable to law enforcement officers to inspectors of the Immigration and Naturalization Service, inspectors and canine enforcement officers of the U.S. Customs Service, and revenue officers of the Internal Revenue Service; to the Committee on Post Office and Civil Service.

By Mr. ERDREICH:

H.J. Res. 105. Joint resolution proposing an amendment to the Constitution relating to Federal budget procedures; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII:

11. The SPEAKER presented a memorial of the Legislature of the State of Oklahoma, relative to U.S. troops in Saudi Arabia and the Persian Gulf; to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 82: Ms. PELOSI.

H.R. 87: Mr. ANNUNZIO.

H.R. 122: Mr. LIGHTFOOT.

H.R. 133: Mr. TALLON and Mr. KOLTER.

H.R. 154: Mr. BREWSTER, Ms. LONG, Mr. ROWLAND of Georgia, Mrs. PATTERSON, Mr. JONES of Georgia, Mr. APPELLEGATE, Mr. PENNY, Mr. JENKINS, Mr. HEFNER, Mr. RICHARDSON, Mr. STENHOLM, Mr. PAYNE of Virginia, Mr. PARKER, Mr. SLATTERY, Mr. HAMMERSCHMIDT, Mr. EVANS, and Mr. PICKETT.

H.R. 179: Mr. ABERCROMBIE.

H.R. 180: Mr. BREWSTER, Ms. LONG, Mr. ROWLAND of Georgia, Mrs. PATTERSON, Mr. JONES of Georgia, Mr. APPELLEGATE, Mr. HEFNER, Mr. JENKINS, Mr. RICHARDSON, Mr. STENHOLM, Mr. PAYNE of Virginia, Mr. PARKER, Mr. SLATTERY, Mr. HAMMERSCHMIDT, Mr. EVANS, Mr. PICKETT, and Mr. EDWARDS of California.

H.R. 217: Mr. MACTHLEY, Mr. JEFFERSON, Mr. WALSH, Ms. ROS-LEHTINEN, Mr. SCHAEFER, and Mr. FROST.

H.R. 302: Mr. TAUZIN.

H.R. 311: Mr. HENRY.

H.R. 352: Mr. GOSS, Mr. HUNTER, Mr. WYDEN, Mr. LIVINGSTON, Mr. HORTON, Mr. GILMAN, Mr. STEARNS, Mr. LENT, Mr. COMBEST, Mr. MORAN, Mr. MACTHLEY, Mr. BONIOR, Mr. BALLENGER, Mr. DORNAN of California, Mr. RHODES, Mr. SOLOMON, Mr. BUSTAMANTE, Mr. KYL, Mr. JEFFERSON, Mr. APPELLEGATE, Mr. LANCASTER, Mrs. BYRON, Mr. GALLO, Mr. DOOLITTLE, Mr. BERUTER, Mr. WASHINGTON, Mr. WALSH, Mr. TOWNS, Mr. RITTER, Mr. BURTON of Indiana, and Mrs. MEYERS of Kansas.

H.R. 460: Mr. HERTEL, Mr. LIPINSKI, Mr. JONTZ, Mr. ABERCROMBIE, and Ms. KAPTUR.

H.R. 461: Mr. COBLE, Ms. LONG, Mr. MOODY, Mr. BARTON of Texas, and Mr. WOLPE.

H.R. 550: Mr. COSTELLO, Mr. LIPINSKI, and Mr. HUCKABY.

H.R. 559: Mr. MOODY and Mr. FROST.

H.R. 586: Mr. RUSSO and Mr. WOLPE.

H.R. 587: Mr. PENNY, Mr. NOWAK, and Mrs. COLLINS of Illinois.

H.R. 650: Ms. PELOSI.

H.R. 652: Mr. McNULTY, Mr. FORD of Michigan, Mr. HERTEL, Mr. ABERCROMBIE, Mr. HUCKABY, Mr. BACCHUS, Mrs. BOXER, and Mr. BONIOR.

H.R. 659: Mrs. LLOYD, Mr. WOLF, Mr. GORDON, Mr. ROGERS, Mr. ROE, Mr. CARDIN, Mr. ZIMMER, Mr. LIPINSKI, Mr. JONTZ, and Ms. KAPTUR.

H.R. 759: Mr. ALLARD, Mr. FRANKS of Connecticut, Mr. HAMMERSCHMIDT, and Mr. WILSON.

H.R. 773: Mr. DIXON and Mr. WAXMAN.

H.J. Res. 1: Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. ANDREWS of Maine, Mr. ANDREWS of Texas, Mr. ATKINS, Mr. AUCOIN, Mr. BOEHLERT, Mrs. BOXER, Mr. BOUCHER, Mr. BROWN of California, Mr. CAMPBELL of Colorado, Mr. CARDIN, Mr. CLAY, Mr. DEFAZIO, Mr. DOWNEY, Mr. EVANS, Mr. GEREN of Texas, Mr. GLICKMAN, Mr. HORTON, Mr. JONTZ, Ms. KAPTUR, Mr. KILDEE, Mr. KLUG, Mr. LEACH of Iowa, Mr. LEHMAN of California, Mrs. LOWEY of New York, Mr. MARTINEZ, Mr. MCHUGH, Mr. MINETA, Mr. MORAN, Mr. MRAZEK, Mr. NAGLE, Mr. PEASE, Mr. RANGEL, Mr. ROE, Mr. SCHEUER, Mr. SHARP, Ms. SLAUGHTER of New York, Mr. TRAXLER, Mr. UDALL, Mrs. UNSOELD, Mr. VENTO, Mr. WALSH, Mr. WAXMAN, Mr. WILLIAMS, Mr. WILSON, Mr. WYDEN, and Mr. ZIMMER.

H.J. Res. 73: Mr. MRAZEK, Mr. FAZIO, Mr. LANCASTER, Mr. BILBRAY, Mr. JONTZ, Mr. OWENS of Utah, Mr. INHOFE, Mr. TOWNS, Mr. MARTINEZ, Mr. EMERSON, and Mr. MCGRATH.

H.J. Res. 79: Mr. BARTON of Texas, Mr. HALL of Texas, Mr. LIPINSKI, Mr. STUMP, Mr. ARMEY, and Mr. MOLLOHAN.

H.J. Res. 88: Mr. APPELEGATE, Mr. CAMPBELL of Colorado, Mr. COSTELLO, Mr. HATCHER, Mr. HORTON, Mr. HUCKABY, Mr. JEFFERSON, Mr. JONTZ, Mr. LENT, Mr. LIPINSKI, Mrs. LOWEY of New York, Mr. MANTON, Mr. PAYNE of Virginia, Mr. SCHEUER, Mr. SKEEN, Mr. WALSH, and Mr. WYDEN.

H.J. Res. 92: Mr. YATES, Mr. GLICKMAN, Mr. WYDEN, Mr. SERRANO, Mr. GUARINI, Mr. ESPY, Mr. MILLER of California, Mr. WISE, Mr.

THOMAS of Georgia, Mr. TRAFICANT, Mr. BRYANT, Mr. RANGEL, and Mr. JEFFERSON.

H. Con. Res. 34: Mr. YOUNG of Alaska, Mr. MONTGOMERY, Mr. HORTON, Mr. MCNULTY, Mr. ROE, Mr. MOLLOHAN, Mr. PANETTA, Mr. LIPINSKI, Mr. LANCASTER, Mr. FROST, Mr. JONTZ, and Mr. MCGRATH.

H. Con. Res. 37: Mr. SERRANO and Mr. SANDERS.

H. Con. Res. 38: Mr. DELLUMS, Mr. VENTO, Mr. CLAY, Mr. MARKEY, Mr. MRAZEK, Mrs. BOXER, Mr. BACCHUS, Mr. BRYANT, Mr. HAYES of Illinois, Mr. OWENS of Utah, and Mr. SKAGGS.

H. Con. Res. 56: Mr. KILDEE, Mr. EDWARDS of California, and Mr. PAYNE of New Jersey.

H. Res. 11: Mr. GEJDENSON.

H. Res. 14: Mr. ABERCROMBIE, Ms. KAPTUR, Mr. WEISS, Mr. FOGLIETTA, and Mr. MAZZOLI.

H. Res. 37: Mr. KOSTMAYER, Mr. MILLER of California, Mr. RANGEL, Ms. PELOSI, Mr. BRYANT, Mr. AUCCOIN, and Mr. ABERCROMBIE.

PETITIONS, ETC.

Under clause 1 of rule XXII,

22. The SPEAKER presented a petition of the National Medical Association, Washington, DC, relative to Medicaid; which was referred to the Committee on Energy and Commerce.

MEMORANDUM

UNITED STATES HOUSE OF REPRESENTATIVES

MEMORANDUM FOR THE SPEAKER

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EXTENSIONS OF REMARKS

A SPECIAL TRIBUTE TO JESSE S. BOGAN

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. STOKES. Mr. Speaker, I rise and ask that my colleagues join me in paying tribute today to Jesse S. Bogan, who passed away on January 23, 1991. Jesse was a longtime friend and very special person who will be missed greatly.

Mr. Speaker, my friendship with Jesse and his family spans more than 20 years. Our families were neighbors and our children played and grew up together. Jesse was a devoted husband, caring father, and at all times exhibited a special pride in his family. In Cleveland where I first came to know him, Jesse was a community activist. More than that, he trained people in economic development and leadership. He was an expert in economic development, housing and consumer protection. It was this expertise which enabled him to go into his own consulting business.

Mr. Speaker, I am pleased to share with my colleagues some of the highlights of Jesse's life.

Jesse S. Bogan was a native of Selma, AL. He received a B.S. degree from Alabama A&M University, and did graduate work at Case Western Reserve University in Cleveland, OH. He was a member of the Armed Forces, serving his country in West Germany. Jesse returned to Cleveland where he worked for the Department of the Navy, and as a field representative for the city's housing and development department.

Jesse moved to the Washington area in 1971 and was employed with Dale Greene Consulting and the Better Business Bureau. In 1984 he formed his own consulting firm, Bogan Associates, specializing in housing, economic programs, consumer protection, and equal employment opportunity.

Jesse was a member of the Community Ministry of Montgomery County; the Silver Spring Chamber of Commerce; the Black Business League; and served as a deacon at People's Community Baptist Church in Silver Spring.

Mr. Speaker, my wife, Jay, and my family join me in extending our deepest sympathy to Jesse's wife, Dorothy W. Bogan, his son, David, and his many relatives and friends. Jesse Bogan was a kind and compassionate individual. We will miss him, and we shall always remember him.

NATIONAL ENERGY EFFICIENCY ACT OF 1991

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. SHARP. Mr. Speaker, today I am introducing the National Energy Efficiency Act of 1991, one of a series of bills that I hope will help give us a comprehensive national energy policy.

Our need for a national energy policy is based on energy's contribution to a number of serious problems such as environmental degradation, increased national security risks and a weakened economy.

We are all familiar with the environmental problems resulting from energy production and use—air pollution, strip mining waste, hazards from radioactive waste, dams holding back our beautiful rivers. More recently the specter of global warming has been looming before us, and one of the main culprits suspected in this theory is carbon dioxide emissions from fossil fuel burning.

We are also all too familiar right now with the national security problems associated with energy. There are many reasons why we are fighting in the Persian Gulf area today, but one of them is certainly the strategic importance of the oil supplies there. A poll conducted in December for the Alliance to Save Energy by both Democratic and Republican pollsters found that 50 percent of the public believes that securing Middle East oil supplies for the United States and its Allies is the main reason why we are fighting the war with Iraq.

Energy also has an important impact on the economy. Fluctuations in the world price of oil create wide swings in costs for consumers and businesses, both on the 6 to 8 million barrels per day that we import and on the 9 million barrels per day we produce ourselves. Increases in the price of energy contribute to inflation and slow the economy. The less energy we use, the less vulnerable we are to these price swings.

Energy efficiency is the only energy resource we have that addresses all these national objectives at once.

Energy efficiency can be defined as using less energy to get the same amount of work done, or more dollars of product per unit of energy. In contrast, energy curtailment is doing without or doing less. Turning down your thermostat is energy curtailment; insulating your home so it is warmer and uses less energy is energy efficiency.

Energy efficiency, therefore, can allow us as a nation to get more work done, with less energy, at lower costs and at the same time improve the environment and limit our exposure to national security risks.

The momentum for energy efficiency which we had in the 1970's, and lost in the 1980's, needs to be regained in the 1990's.

Indeed, the economy has already made tremendous strides in energy efficiency since the 1970's. A report entitled "Energy Use and the U.S. Economy," released last June by the Office of Technology Assessment stated:

Energy-efficiency improvements implemented in the production process between 1972 and 1985 mean that the 1985 economy would have used 15 quadrillion British thermal units more of energy if these gains had not been achieved. If these savings had not occurred, the U.S. economy would have required 20 percent more energy in 1985 to produce its output—more than the total amount of energy imports in 1985.

This report, by far the best work done on the subject to date, shows the tremendous power of increased energy efficiency to help the economy, not hurt it.

We have learned a great deal, however, over the last 15 years. We have learned to stress efficiency, not curtailment. Gone are the days of asking people to turn down their thermostats past the comfort level. We have learned that market forces work very well in many situations and work imperfectly in others. Therefore, we must target our efforts and interventions at correcting market imperfections.

The legislation I am filing today has many measures to correct market imperfections. For example, a consumer needing new windows for his or her house has no way to compare the relative energy efficiency of different manufacturers' windows. This bill calls for a uniform testing and labeling program so that consumers who care about energy costs can make informed decisions.

We have also learned that simply spending a large amount of money does not necessarily solve the problem. We need to look for how we get the most bang for the Federal buck. This bill authorizes a number of new activities, but most of them are relatively low-cost by Federal budget standards, and the area with the highest authorization levels is in energy management at Federal facilities which will save the taxpayers' money in reduced Federal utility bills.

Besides pointing out the benefits of energy efficiency I would also like to point out that the public strongly supports energy efficiency. The Alliance to Save Energy poll mentioned above also found that 75 percent felt that we should reduce demand through efficiency measures while 28 percent said it was preferable to increase supply.

This bill is a package of initiatives that will improve the energy efficiency of housing, businesses, products and the Federal Government in the years to come. It is divided into six titles: Buildings, Federal energy management, electricity and utilities, product labeling and standards, data collection and miscellaneous. A more detailed summary is provided below.

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

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

The major energy using sector that is not addressed in this bill is transportation. Cars and light trucks alone make up 40 percent of our domestic consumption of oil, and no national energy policy can ignore this problem. I intend to introduce separate legislation to increase the corporate average fuel economy standards for cars and light trucks in the near future.

SUMMARY OF NATIONAL ENERGY EFFICIENCY
ACT OF 1991
I. BUILDINGS

This title directs DOE to develop a uniform, voluntary home energy rating system for use by states, local governments and others so that home buyers can accurately compare energy costs.

Housing is the largest energy consuming purchase most people make in their lives, and there is no reliable way for someone to compare the relative energy efficiency of two different homes. With car purchases, this comparison is relatively easy because of the Miles Per Gallon stickers required to be placed on the cars by law. The lack of information available to home buyers is a serious impediment to the proper functioning of the free market when it comes to home energy use. This provision of the bill would begin to develop a national system for rating the energy efficiency of homes. The system would be voluntary; no state or local government would have to use it. However, a number of states are beginning to experiment with their own ratings systems. This provision would give impetus to the movement, provide assistance to those states that do not have the technical capability to implement a system on their own, and provide a uniform consistency across programs throughout the country.

Another provision directs DOE to provide technical assistance to states to update building codes to meet existing Department of Energy or Council of American Building Officials (CABO) residential and commercial standards and requires states to update their codes within four years.

Building codes are one of the best ways to improve residential energy efficiency because it is easier and cheaper to build in efficiency at the beginning than add it on later. In fact many additional energy saving measures can be added at little or no additional cost during construction. Once built, these houses may be used for 50 or 100 years; hence their energy using life will be long and will have a long term impact on energy consumption.

Many states have already updated their energy building codes. This provision would require and help the other states to do so. The standard codes referenced in the provision, the DOE voluntary commercial code and the Council of American Building Officials Model Energy Code (CABO MEC) are moderate standards developed with a great deal of input and participation from all sectors of the building industry and are adaptable to any climate zone. A number of states have developed codes that are more rigorous than these.

II. FEDERAL ENERGY MANAGEMENT

The Federal government is the single largest energy consumer in the country, spending \$8.7 billion on energy in 1989. While most of that is spent on fuel for military operations, \$3.5 billion of it was spent on energy in buildings. It is this energy use in buildings that Title II addresses. By investing in more energy efficient buildings, we can save energy and save the taxpayers' money.

Title II requires agencies to do all energy efficiency retrofits that have a ten year or less payback by 2000. Agencies which do not meet the requirement are prevented from spending funds on construction or acquisition of buildings.

This title also sets up a fund administered by DOE to finance, on a competitive basis, energy saving projects in facilities run by other agencies. Agencies are also encouraged to participate in utility efficiency programs.

This provision is to help overcome institutional barriers to the financing of such improvements. One of the many problems building or facility managers have is that in order to get funds to improve the energy efficiency of their buildings they have to compete with funds that go directly for their agency's main mission such as delivering the mail or providing hospital care to veterans. This is a problem even though the projects will eventually reduce costs, often in one to two years.

With a fund that is exclusively for energy efficiency programs, the manager can compete against other efficiency projects and become a hero to his agency by bringing in new money from outside the agency.

The provision is designed, however, to give an advantage to projects which provide matching money to the DOE funds whether in the form of agency contributions or private sector money.

Title II sets up a cash bonus program to reward agency personnel that do outstanding jobs of improving energy efficiency. Agency personnel who save the government money through energy efficiency should be rewarded with money for themselves, not just with a paper certificate.

Federal agencies will also be required to purchase vehicles that are more fuel efficient than the average in their class. This provision has two purposes. One is to increase the fuel economy of the federal fleet, without restricting agencies to purchasing from any one class of vehicles. The second is to increase the demand for higher mileage cars thereby making them more attractive to manufacture and sell.

III. ELECTRICITY AND UTILITIES

Title III requires state commissions to consider regulatory reforms to make investments in energy efficiency as profitable as investments in supply.

This is an attempt to eliminate financial disincentives which discourage utilities to invest in energy efficiency. State commissions are not required to implement these reforms, but they are required to at least hold a public hearing to consider them. California has done so, and one of its utilities, Pacific Gas and Electric, is planning on spending \$1.2 billion on efficiency over the next ten years.

Certain utilities that are not state regulated are also required to do a public least cost planning process which considers both supply and demand side resources and to provide technical assistance to wholesale customers (which are retail utilities) to implement efficiency programs. Also requires those purchasing utilities to implement energy efficiency programs as a prerequisite for getting a contract extension or a new contract.

IV. STANDARDS

Title IV requires DOE to develop testing and labeling requirements for windows. Windows are a major energy losing component in buildings. It is just as important to choose energy efficient windows as it is to choose the correct level of insulation. Unlike insu-

lation, windows have no standardized rating or labeling system to tell the consumer which products are more energy efficient. This provision is designed to provide the information builders and home owners need to purchase energy efficient windows. This is particularly important since there have been several breakthroughs in window design and manufacture during the last ten years which have resulted in many more energy efficient products being available on the market.

DOE is also required to design industrial insulation guidelines. Home builders have several nationally approved guidelines to use in determining how much insulation to include in a building. Local building codes have their own standards. But the factory manager has no such guidelines for industrial insulation around boilers, steam pipes and hot air ducts. A study released in January of this year by the Thermal Insulation Manufacturers Association indicates that there may be as much as one quadrillion Btu's of energy lost due to uninsulated industrial boilers, pipes and ducts. This is more than one percent of all U.S. energy use.

Title IV also directs DOE to set minimum energy efficiency standards for a limited number of lamps (light bulbs and fluorescent tubes), small package commercial air conditioners, and electric motors.

These products currently come in various levels of efficiency and, due to market imperfections, the most efficient are not widely used. Amends existing appliance efficiency law, which is estimated to save the energy equivalent of twenty-seven, 1000 megawatt power plants.

DOE would first have to determine a limited number of products in each category to set standards for. There is no intention of setting them for every lamp, motor and package air conditioner. This limited number should represent a large portion of the total usage, however, and also a large portion of the energy consumed. At first identifying the largest selling types of products, DOE would then set standards for their manufacture through a rulemaking with public participation.

V. DATA

Title V requires the Energy Information Administration to collect more data from utilities on their conservation programs, to collect state level data in its existing end-use efficiency surveys and to collect more data on renewable energy production.

An ongoing problem for policy makers and individuals in the efficiency and renewable energy industries has been a lack of data on efficiency and renewable energy comparable to the data available on energy supplies.

VI. MISCELLANEOUS

Title VI directs DOE to promote energy efficiency exports through its CORECT program. Currently, CORECT only promotes the export of renewable energy technologies. Many renewable energy technologies work best in combination with efficient end-use systems. Moreover, the increasing concern about global warming has made it more important that we help other countries use energy as efficiently as possible as they grow economically.

Title VI also repeals the Energy Extension Service (E.E.S.) program at DOE. This program is no longer needed since P.L. 101-440 was passed last year. P.L. 101-440 expanded another program, the State Energy Conservation Program (SECP) to give states the flexibility to undertake the activities required by E.E.S. The E.E.S. activities were useful, but states should be given the option

of integrating them into their other energy efficiency programs.

INCREASED THREAT OF TERRORISM

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. LANTOS. Mr. Speaker, at this time of increased threat of terrorism because of the Persian Gulf war, it is important that we in the Congress act to strengthen our defenses against the violence of terrorism against U.S. civilian targets here and abroad.

Saddam Hussein has demonstrated that he has absolutely no scruples about attacking innocent civilian targets in order to provoke terror. He is a man who means what he says. He said he would attack civilians in Israel and Saudi Arabia, and he has sent his Scud missiles against urban areas in both countries. He said he would use terrorism against us, and we must be prepared.

If ever there were a time to improve this Nation's ability to cope with the threat of terrorism, that time is now. The Persian Gulf crisis has given rise to the increased likelihood of terrorist acts and, consequently, we should review our policy to respond to this threat.

As it stands, there are several gaps in our current laws on terrorism. Surprisingly, most acts of terrorism that might be carried out in this country would be punishable only under State law. At present they do not violate Federal law, and this limits and hampers the ability of Federal law enforcement agencies to deal with terrorism. These are gaps that should be filled.

The Comprehensive Counter-Terrorism Act of 1991, H.R. 769, which I have introduced, would provide better means through which Federal agencies can both prevent and punish terrorist acts committed against Americans here and abroad.

This legislation which was introduced in the Senate by the chairman of the Judiciary Committee, JOSEPH BIDEN, would equip Federal agencies with both the legal and financial wherewithal to combat potential acts of terrorism.

Mr. Speaker, this is an important and timely bill. I urge my colleagues to join me in sponsoring it and supporting its passage. I insert a brief summary of the legislation in the RECORD:

COMPREHENSIVE COUNTER-TERRORISM ACT OF 1991

TITLE I—PUNISHING TERRORIST ACTS

Provides the death penalty for terrorist acts committed within the United States or against U.S. citizens abroad.

Establishes the first-ever federal criminal law for acts of domestic terrorism committed by agents of a foreign power, punishable by up to life imprisonment.

Significantly boosts existing penalties for terrorist acts committed against U.S. citizens that result in serious bodily injury.

TITLE II—PREVENTING DOMESTIC AND INTERNATIONAL TERRORISM

Establishes a new criminal offense for providing material resources or support to ter-

EXTENSIONS OF REMARKS

rorist organizations or concealing the assets of such organizations.

Authorizes the FBI to seize and forfeit material resources provided to, or used in support of, terrorist organizations.

Authorizes the Attorney General to grant permanent residency status to aliens that significantly cooperate in U.S. terrorism investigations.

TITLE III—PREVENTING AVIATION TERRORISM

Establishes a new criminal offense for knowing and willful violations of FAA security regulations.

TITLE IV—PREVENTING ECONOMIC TERRORISM

Creates a new criminal offense for counterfeiting U.S. currency outside the territorial United States.

Creates an Economic Terrorism Task Force, including experts from the Departments of Defense, Justice, State and Treasury, to assess the threat of terrorist acts against the U.S. economy and to recommend preventive measures.

TITLE V—AUTHORIZATIONS FOR COUNTER-TERRORIST AGENCIES

Boosts funding for the counter-terrorist activities of the FBI, State Department, the U.S. Secret Service, and state and local law enforcement agencies by \$75 million.

CONGRESSIONAL SALUTE TO MATHER AIR FORCE BASE AIRMEN OF THE YEAR

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. MATSUI. Mr. Speaker, I rise today to pay tribute to several outstanding individuals in my community who deserve to be recognized for their dedication and service to the public. Tonight Mather Air Force Base will hold its annual enlisted awards banquet, and I take great pleasure in congratulating this year's award winners.

Tonight's ceremony is to recognize the achievements of a very elite group of outstanding enlisted personnel stationed at Mather Air Force Base, in Sacramento, CA. M. Sgt. John E. Shauck, First Sergeant of the Year; M. Sgt. Charles F. Keenhold III, Senior Noncommissioned Officer of the Year; T. Sgt. Gina M. Noland, Noncommissioned Officer of the Year; and Sr. Airman Gregory S. Lee, Jr., Airman of the Year, are to be highly commended for their work on behalf of the U.S. Government. It is through their commitment and skill that these individuals have made significant contributions to Mather Air Force Base and the entire Sacramento community.

Mr. Speaker, I commend the 1990 Enlisted Award winners for their many accomplishments. I am sure that my colleagues join me in saluting these invaluable members of the U.S. Air Force for their expertise and their dedication to the service of our beautiful country. I extend my best wishes for their continued success in all their future endeavors.

A MORE PERFECT STATE OF THE UNION ADDRESS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. STARK. Mr. Speaker, as I listened to the President's State of the Union Address, I was disturbed by the lack of specifics on the domestic side of the economy. Robert Riech, the noted Harvard economist has filled that gap for us. He shows that in important measures across the board from wages to home-ownership rates to nonmilitary R&D spending, we are losing ground.

Mr. Speaker, I ask that this important unvarnished look at the State of the Union be included in the RECORD.

[From the Wall Street Journal, Jan. 30, 1991]

A MORE PERFECT STATE OF THE UNION ADDRESS

(By Robert Reich)

(This is the State of the Union speech that George Bush drafted himself yesterday, during a brief point of light, but discarded after sunset.)

Fellow Americans:

For over a decade, my predecessor and I have done everything in our power to take your minds off America's decaying competitiveness, declining wages and growing gap between rich and poor. I could continue this strategy by using the war in the Persian Gulf to distract you further from what's really happening to America, but it would be wrong.

Many of you see America standing tall once again, reasserting our power and leadership in the world. But you must remember that our efforts in the Gulf are all on credit. Japan and Germany, whose giant economies are booming even as ours stagnates, are funding only a small portion of the war effort (the equivalent of about \$20 million out of the \$700 million that the war is costing us every day). Mostly, they're lending us the money to run the war by purchasing our IOUs. If the war continues much longer, or if it requires our presence in the Mideast for years to come (as seems increasingly likely), we'll be so deep in the hole that interest rates will need to rise precipitously in order to keep the foreign money coming in. And that means little or no economic growth for America in the foreseeable future.

Now, I know that American defense contractors are crowing about how well their complex technologies are working in the Gulf. I'm glad they have something to be proud of, after years of kickbacks, cost overruns, failed equipment and other scandals. But this is no reason to assume that America is once again the world's technology leader. Quite the contrary. Today's military systems are so complex and specialized that they have almost no bearing on technological prowess in commercial sectors of the economy. While we pour billions of dollars into Patriots and Tomahawks, other nations are pouring billions into advanced semiconductors, superconducting materials, high-definition televisions, monoclonal antibodies and other industries of the future. Government support for non-military R&D in the U.S. has dropped to about a third of 1 percent of our gross national product—its smallest proportion in 20 years. All told, nondefense R&D accounts for 2 percent of GNP, compared with almost 3 percent in Japan and 2.6 percent in the former West Germany.

You will want to believe that our current recession is the work of Saddam Hussein, and that the American economy will boom once the war is behind us. But we were sliding into recession long before he invaded Kuwait, and we will still be there after he leaves. The recession is the product of a decade of speculation and mounting private debt—an "anything goes" era fostered by my predecessor and me. Non-financial companies are paying out almost 30 percent of their cash flow in interest—a post-war record. Financial institutions are swimming in red ink. Commercial banks and insurance companies are heading in the same direction as the savings and loans (and while we're at it, let me remind you that as vice president I chaired the White House Deregulation Task Force that unleashed the S&Ls in the first place). I've asked Nick Brady to come up with some band-aids, but it will be years before the financial crisis is over.

Above all, don't allow the pyrotechnics in the Gulf to distract you from the basic fact that most of you are getting poorer. Controlled for inflation, the wages of non-supervisory workers (about two-thirds of you) are now 16 percent below what they were in 1973—at about their level in the last 1950s. They've fallen 2 percent since I became president. The only way many of you have managed to prop up your family income is by sending another family member into the work force, and having fewer kids. Meanwhile, average wages in the former West Germany are already higher than here, and if present trends continue Americans will fall further behind the citizens of other nations. We'll be their mercenaries, creating a "new world order" in which they will live better than we do.

Since I became your president, another 3 million American children have slipped into poverty. Another 1.2 million Americans have lost their homes. Our rate of infant mortality has increased by 2 percent, putting us behind 18 other industrialized nations. I told you I'd be your "education president," but the federal government is now spending less on education than it did when I took over.

And because the largest share of the cost of our schools is now borne by local communities, our poorest cities and rural towns with the worst social problems are hardest hit by budget cuts. If you're a kid from a poor or working class family, your chance of attending college is worse now than at any time in the past quarter century. Your best bet is to sign up for service in our volunteer mercenary army.

The top fifth of income earners now brings home more than the bottom 80 percent put together—the highest portion in 40 years—and the gap continues to widen. Last fall's budget deal makes our tax system a bit more progressive, but the marginal income tax rate paid by wealthy Americans is still the lowest of any industrialized nation. And their non-pecuniary contributions are as skimpy. Relatively few of their children are in the Gulf.

I have said that we have more will than wallet, but the events in the Gulf have shown that we have as much wallet as we need when the will is there. This nation was willing to dig deep into its resources to rebuild Western Europe and Japan after the Second World War, and those countries' successes since then are a lasting tribute to our foresight and commitment. With a U.S. economy four times as large as it was in the late 1940s, we should be able to rebuild America.

The only way to restore this country's greatness is to make us strong and fit on the

inside, to tackle these large and growing problems here at home. To equip us to do so, and to simultaneously finance the war in the Gulf, I am proposing to raise the income-tax rate paid by Americans earning more than \$100,000 per year to 40 percent, to remove the cap on income subject to Social Security taxes and to treat all Social Security benefits as taxable income.

This is a time for leadership. I am sure that I can count on your support. After all, my approval ratings are the highest of any president during the past 30 years.

TRIBUTE IN HONOR OF ALBERT C. ZETTMLOYER

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. RITTER. Mr. Speaker, I rise today to pay tribute to my constituent and friend, Albert C. Zettlemoyer, who passed away on Sunday, January 27, 1991. Albert was former Lehigh University provost and vice president and former president of the American Chemical Society. He was highly respected by his peers locally, nationally, and worldwide for his many outstanding contributions to the academic arena.

I had the distinct privilege of working with Al Zettlemoyer during my years at Lehigh University. I know I speak for all who knew Al when I say he was a man with profound impact on American Science and Technology, profound impact on his profession and his university, and profound impact on his community, family, and friends.

I am submitting for the RECORD Al's obituary which appeared in the Allentown Morning Call: ALBERT C. ZETTMLOYER, 75, FORMER LEHIGH U. PROVOST

Albert C. Zettlemoyer, 75, former Lehigh University provost and vice president and former president of the American Chemical Society, died Sunday in Muhlenberg Hospital Center.

A Distinguished Professor Emeritus of Chemistry at Lehigh, Zettlemoyer began his academic career at the university in 1941 and went on to earn national and international recognition for his research. He published more than 230 technical articles, eight book chapters and held 10 patents.

Well-known as a surface and colloid chemist, he was honored many times for his contributions to the printing ink industry and directed cloud-seeding projects to manage rainfall.

Zettlemoyer was still doing research until two weeks ago, colleagues say, working in Sinclair Laboratory, a building for which he led the fund-raising campaign two decades earlier.

A member of several national and international professional societies, Zettlemoyer was most active in the American Chemical Society, the nation's largest organization of chemists and chemical engineers, which he served for more than 50 years.

In 1981, he was ACS president, and in 1968, he received the ACS Kendall Award, the highest honor bestowed by the society to someone in his field. Zettlemoyer was honored by ACS in 1985 for lifelong contributions to the society and to colloid chemistry. A former Lehigh Valley ACS chapter president,

he was awarded the chapter's Distinguished Service Award last year.

He was Lehigh provost and vice president from 1969 to 1980 and the university's first vice president for research from 1968 until 1969.

Zettlemoyer introduced more than two dozen academic programs to the university during his 11 years as provost. He established Lehigh's Freshman Seminars program, which he said "put mature professors in front of freshmen early." He also established the Learning Center, which helped students with basic English and math, the continuing education program, and professional-development programs for faculty and teaching assistants.

As a teacher, he directed more than 50 doctoral candidates and 200 master's degree students. In large undergraduate classes, he was known to seat students in reverse alphabetical order, "a protest," he once said, "at my having been in the back of the room in so many cases when I was a student."

In 1946, Zettlemoyer played a key role in the establishment of the National Printing Ink Research Institute (NPRI) at Lehigh and in 1965, he was named director of the new Center for Surface and Coatings Research. The center was renamed the Zettlemoyer Center for Surface Studies in 1987.

Zettlemoyer was the husband of Onetta (Hartman) Zettlemoyer, and resided in Bethlehem.

Born in Allentown, he was a son of Frederick R. Zettlemoyer of Allentown and the late Florence (Nagle) Zettlemoyer.

He received a doctoral degree in physical chemistry from MIT. At Lehigh, he earned a bachelor's in chemical engineering and a master's in organic chemistry. He received honorary degrees from the Clarkson Institute of Technology and the China Academy of Taiwan. He was honorary editor of the journal *Advances in Colloid and Interface Science*.

In 1966, Zettlemoyer received the Hillman Award for outstanding service to Lehigh. His other honors included the Honor Scroll of the Philadelphia Chapter of the American Institute of Chemists, the Elmer C. Voigt Award from the Educational Council of the Graphic Arts Industry, the Ault Award for outstanding contributions to the printing ink industry, and the Mattiello Medal, from the Federation of Paint and Varnish Production Clubs.

Zettlemoyer served his community as past president and a director of the Bethlehem YMCA, past president of the Bethlehem Rotary, past campaign chairman of the Red Cross and past chairman of the United Annual Fund (now United Way).

He was a member and trustee of First Presbyterian Church, Bethlehem.

Survivors: Wife and father; sons, Christopher and Anthony, both of Mechanicsburg, Cumberland County, Nicholas of Houston, Texas, and Timothy of West Chester, Chester County; daughter, Mrs. Nan Zettlemoyer Luff of Cleveland, Ohio, and 12 grandchildren.

HISPANIC-AMERICAN PERSIAN GULF SUPPORT GROUP

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Ms. ROS-LEHTINEN. Mr. Speaker, a group has formed in Miami to help Hispanic families

cope with knowing that their loved ones are proudly serving our country in the Persian Gulf. The Hispanic-American Support Group was formed to allow families the opportunity to meet with each other and discuss the flood of emotions which they experience each day.

This support group is aware of the seriousness of this historic moment in which the international community, led by the United States, has united to confront the naked aggression of Saddam Hussein. Although they desire and hope for peace, the Hispanic-American Support Group realizes that a lasting peace may only be secured by force of arms. They are proud of their family members serving in the U.S. Armed Forces and pray, as we all do, for their safe return.

This warm and supportive group has helped family members cope with their anxiety, worries, anguish, and fears. The members get together at least every Friday night and the humble ceremony starts with a reading of the names of the brave men and women serving in the Persian Gulf. As each name is read, the family member of that soldier, sailor, airman, marine, and coast guardsman stands up proudly.

The family members comfort one another and bring photos of their sons, daughters, grandchildren, brothers, and sisters in their military uniforms. These individuals swell with pride as they recount stories of what motivated their relatives to join the Armed Forces. This is truly a patriotic group and all understand that one must always be ready to fight for the ideals of liberty and freedom throughout the world.

What is truly inspiring about the group is that it is made up of families who have experienced the wrath of another brutal dictator, Fidel Castro. These families know that dictators must be stopped. They know that there is no dialog with ruthless dictators; there is no compromise; there is only confrontation.

As President Bush has stated, we will be victorious in this battle and it will be because of the motivation and the patriotism of young people such as the ones represented by the Hispanic-American Persian Gulf Support Group.

I would like to commend Mr. Juan Ojito, father of Erick Ojito, who has dedicated time and effort as the group's president. I would also like to recognize the following members of the group and their sons and daughters who are presently deployed in Operation Desert Storm: Max Alvarez, father of Carlos Alvarez; Jorge V. Andrade, father of Galo I. Andrade; Antonio Jimenez, relative of Luis Arboleda; Juan Bacigalupi, father of Maj. Juan A. Bacigalupi; and Reyna Barrocas, mother of Derrick Caballero.

Also: Yolanda Caballero, mother of Norberto Caballero; Lucrecia Cabre, mother of Kerry Cabre-Barba; Clara Cabrera, mother of Frank Cabrera; Madelyn Caceres, mother of Jorge Caceres; Georgina de Cordoba, grandmother of Jorge Cantos; Ena Cariet, mother of Carlos A. Cariet; Abel Concha, father of Abel L. Concha; and Maria Cruz, mother of Juan C. Cotto.

In addition: Elva M. Crego, mother of Manny Crego; Miriam Bella, mother of Yunior B. Cruz; Arnaldo Diaz, father of David Diaz; Rosario Dumas, mother of Luis A. Dumas; Pedro B.

Encinosa, father of Pedro G. Encinosa; Mireya Escalona, mother of Lazaro Escalona; and Hernando Escudero, father of Fabio Escudero.

Also: Maria del Carpio, sister of Hugo Kayo; Luis Lazcano, father of Jorge L. Lazcano; Jaime Meza, father of Jaime A. Meza; Hector Moreira, father of Jorge L. Moreira; Javier Ortega, father of Rodolfo Ortega; Gladys Espinosa, mother of Jorge A. Ospina; Humberto Pelaez, father of Humberto Pelaez; and Marta Caria, relative of Guillermo Pena.

In addition: Mercedes Pereira, mother of John J. Pereira; Grace Perez, sister of Diana Perez; Yolanda Prado, relative of William Prado; Jesus Prieto, father of Jose A. Prieto; Saray de la Rosa, mother of Osvaldo J. Rebolloedon; and Carlos Rivas, father of Juan M. Rivas.

Also participating in the group: Miriam Rizo, mother of Jorge Rizo; Yolanda Rodriguez, mother of Roberto Rodoli; Jorge Rodriguez, father of Eduardo J. Rodriguez; Francisco Rodriguez, father of Edwin Rodriguez; and Raudel Rodriguez, father of Joel Rodriguez.

In addition: Carmen Estoy, mother of Juan Estoy; Dulce M. Vigil, aunt of Jose R. Fernandez; Pedro Garcia, father of Jocelyn Garcia; Francisco Garcia, father of Jose A. Garcia; Susana Garcia, mother of Reynaldo Garcia; Silvia Gardillo, mother of Douglas Gardillo; and Alfredo Gomez, Sr., father of Alfredo L. Gomez.

Also: Jose L. Gonzalez, father of Carlos F. Gonzalez; Jairo Gonzalez, father of Fabian Gonzalez; Sonia Gonzalez, mother of George Gonzalez; Maritza Gonzalez, mother of Juan C. Gonzalez; Pola Gonzalez, grandmother of Richard J. Gonzalez; and Epifania Ramos, relative of William Gonzalez.

Also participating: Guillermo Villar, father of Oliver Grandez; Eitan Guerrero, brother of Juan J. Guerrero; Gladys Hurtado, mother of Kenneth Hurtado; Marta Iturbe, sister of Andres Iturbe; Antonio Jimenez, father of Hector Jimenez; Isabel Jimenez, wife of Hector A. Jimenez; and Zenaida Caceres, mother of Jorge Caceres.

Also: Samuel Sanchez, father of Samuel Sanchez, Jr.; Mario P. Santana, father of Mario A. Santana; Jorge Cao, father of Richard M. Sartorio; Jorge A. Soberon, father of George Soberon; and Roberto Talavera, father of Roberto S. Talavera.

And: Max Alvarez, father-in-law of Zsuzsanna E. Tomay Ybly; Berenice Torres, wife of Noel Torres; Jorge Utset, Sr., father of Jorge Utset, Jr.; Aida Gonzalez, mother of Leonard S. Vargas; Juan L. Vera, Sr., father of Juan L. Vera; and Carmen Vidiez, mother of Rodolfo Vidiez.

Our hearts and prayers are with these brave men and women and their families.

THE NATURAL GAS ENHANCEMENT ACT OF 1991

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. SHARP. Mr. Speaker, today I am introducing legislation to increase the Nation's use of natural gas by simplifying and streamlining

current regulatory requirements for new natural gas pipeline construction. This is one of several bills I am introducing as part of a national energy policy.

The clean-burning, environmentally benign features of natural gas are matched by its economic benefits: It's a low cost, abundant, and secure domestic fuel that is being delivered by an increasingly competitive and efficient industry.

Natural gas can help significantly lower our dangerously high oil import levels, while also fueling the new market opportunities last year's Clean Air Act amendments opened up, for example in natural gas cofiring, gas-powered electric generation, and natural gas-powered cars, trucks, and buses.

Mr. Speaker, any radical changes to our gas industry would be extremely unwise: The record level of new gas pipeline construction projects now underway, the dozens of major new facilities approvals recently granted by the Federal Energy Regulatory Commission [FERC], and the continuing low, stable level of consumer gas prices—even during a period of extremely disrupted oil markets—are strong testimony that there is much that is right with our current system and with the agency that regulates it.

Nevertheless, some modest positive changes can be made:

Some of them restore procedures previously used by FERC, but recently limited or called into question.

Some allow more decentralized decision-making for new gas pipelines, just as we have had for decades in the cases of oil pipelines and electric transmission lines.

Some build on the trend to less regulation and more negotiation that began with partial wellhead decontrol in 1978, and continued with FERC's mandatory carriage reforms and complete decontrol more recently.

Some eliminate litigation opportunities that can delay needed pipelines for years—a costly flaw, since some lines can save us more over 1 year in foreign oil not imported, than their total capital cost.

Mr. Speaker, I stress that this bill does not limit or alter the National Environmental Policy Act in any way.

All environmental and natural resource laws, rules, and permits—for example, in the areas of clean air, hazardous wastes, archeological and historic interests, forests, fish, wildlife, wetlands, endangered species, and other important matters—will continue to apply according to their terms and are not amended by this bill.

This measure also preserves strong protections for landowners, farmers, and others with property, scenic, safety, and other interests along the routes of new gas pipelines, or near the kinds of expansions of existing facilities which are also covered by this bill.

Finally, this bill continues FERC rate regulation and protection against monopoly charges or discrimination on facilities that may be added under these new procedures. In one case, rates can be freely negotiated before construction and in that event, will be enforced as negotiated; all other rates will still be subject to full FERC control under the Natural Gas Act.

Mr. Speaker, more interconnections and new segments in our national gas pipeline grid will benefit both consumers and producers, by giving them more shipping routes, more pipeline-to-pipeline competition, and more rate discounts. New facilities make capacity shortages and winter bottlenecks less likely. They can allow a higher volume of shipments—and profits—by our domestic gas producers.

Most important, by encouraging these new lines, we can take one of the less painful of the very many and often very tough steps we will have to take to improve our Nation's energy policy, and to cut our obviously costly, dangerous, and unaffordable reliance on foreign oil.

BRIEF SUMMARY OF PROVISIONS OF THE BILL

The four provisions of the bill make modest amendments to three alternate procedures which have all been used in recent years to authorize new gas pipelines, and create one new option like that used for oil pipeline construction over the last 70 years.

The three amended procedures are the traditional certificate procedure under section 7 of the Natural Gas Act, the "self-executing" procedure under section 311 of the Natural Gas Policy Act, and the "fast track" procedures under the Alaska Natural Gas Transportation Act used to build a large portion of that system.

The fourth procedure is an approach long used for oil pipelines and electric transmission lines, combined with "stand alone" and "at risk" rate rules. These are increasingly being used by FERC to prevent overbuilding that can needlessly inflate regulated rate bases and burden captive shippers or core consumers with excessive costs.

All four procedures are alternatives. Each could be selected by the sponsors of a specific project, depending on the project's specific circumstances, and are equally available to new point-to-point pipelines or instead to expansions of existing lines via the addition of looping or new compressor facilities, for example.

Section 1: The bill's short title is the Natural Gas Enhancement Act of 1991.

Section 2: This modifies FERC's traditional gas pipeline approval procedure, which grants a "public convenience" certificate to pipelines that are found by FERC to be in the public interest. FERC's advance determination can be a "major Federal agency action" that triggers environmental reviews under NEPA; may require brief or lengthy adversarial hearings; and carries with it a right of eminent domain over the approved route.

FERC has commendably streamlined many parts of this traditional procedure, as for example in its rules on budget certificates for small facilities, and "at risk" optional expedited certificates. The following statutory changes can allow a further streamlining:

Delays in rehearing periods must be limited to 90 days. (These delays in some cases drag on for many months.)

Pipelines may retain a FERC-approved environmental consultant to perform environmental work on a specific project. This is commonly termed the "third-party contractor" approach. (Currently, pipelines may retain a consultant to perform such work, which the FERC then may re-do with another consultant, resulting in duplication and delay.)

Certificate hearings may be carried out by informal "paper" procedures, just as rate cases have been for many years.

Recertification is not needed for new facilities which merely replace previously certificated facilities of the same size and character. (FERC is currently proposing a lengthier, slower version of its traditional fast track process for replacement facilities.)

Projects which are not opposed by anyone, after a reasonable period of public notice on the specifics of such projects, are deemed to be certificated.

Section 3: This section amends the self-executing gas transportation provisions of section 311 of the 1978 NGPA.

While generally intended to allow small hookups between the gas-rich intrastate systems and the gas-short interstate systems of the late 1970s, this procedure has increasingly been used to rapidly build larger lines, such as the large new interstate facilities of Panhandle and ANR Pipeline in Indiana and Ohio, Mid-Con in Iowa, and Arkla in Arkansas and Oklahoma.

FERC does not grant a certificate to lines built under this procedure, nor do they carry any eminent domain power. Project sponsors accordingly must privately negotiate with and satisfy the concerns of all property owners along the route, since a single unhappy resident can prevent the completion of the project and the flow of gas. State historic, environmental, and safety laws must be complied with; so must similar Federal laws.

The bill makes the following changes in this procedure:

"Construction" and "operation" of new facilities are expressly allowed. (The section now expressly authorizes only "transportation;" the essential means for doing that, i.e., constructing and operating the facilities, has to date been assumed to exist, though some have challenged this assumption.)

These facilities may be built and used by anyone. (FERC had previously broadly interpreted section 311 to allow this result, but was recently overruled.)

These facilities need not be small hookups, but can be of any length, capacity, or pressure. (Some have suggested that large interstate lines were not contemplated by the 1978 Congress and are not permitted under section 311, though it does not contain any express size limits.)

Section 4: This makes available some of the special "fast track" Alaska gas pipeline procedures set out in the 1976 Alaska Natural Gas Transportation Act (ANGTA). Though the entire Alaskan pipeline has not been built, a large portion of its southern section—the Northern Border Pipeline—was completed under these procedures in 1982.

These procedures would be available when the President finds that the national interest requires the expeditious construction or expansion of pipeline facilities: Over a specific route; from a specific gas producing area; or into a specific consuming market.

The President designates the specified facilities as a priority project, and directs the FERC to issue a certificate for them within a specified time. FERC may impose any conditions on the certificate which the public interest requires.

Streamlined judicial review, as provided under section 10 of ANGTA, applies to the certificate FERC issues to the designated priority facilities.

This provision does not make available the following special ANGTA procedures:

Special Presidential decision and report;
Congressional review and veto;
Waiver of law;
Special Environmental Impact Statement procedures.

Section 5: This provision covers only new "at risk" pipelines and facilities that cannot be put in the regulated "rate base" of a pipeline, but must be separately priced to new and willing shippers and consumers. Thus, the new line must financially stand or fall on its own merits, and cannot become a source of guaranteed profits from other captive consumers or producers.

Placing all economic risks on such a project is an effective way to "weed out" proposals that do not successfully, efficiently deliver large volumes of gas at competitive, pre-contracted rates to markets that truly need them. Conversely, if investors are willing to finance such a project, and consumers and producers are willing to support it with long term shipping contracts, then its utility can be fairly presumed. FERC accordingly can have a reduced role in deciding whether the line is needed.

A similar approach has been developed at FERC in recent years, which has granted a "fast track" expedited certificate for pipelines assuming significant market risks. And this same approach—allowing entry into a regulated industry without any advance certificate hearings or approvals—has been used for decades for the construction of interstate oil pipeline and interstate electric transmission lines.

As with oil pipelines and electric lines, when gas starts being shipped interstate in the new line, a FERC tariff would be filed and a FERC rate case starts.

Under this option, no eminent domain authority is granted to a project; and it must comply with all applicable environmental and natural resource laws, as oil pipelines and electric lines do.

Specific requirements are as follows:
New facilities are incrementally priced, and built on a "stand alone" basis.

They are held separate, with separate books, accounting, and records.

They cannot go into rate base under sections 4 or 7 of the Natural Gas Act.

If existing shippers or customers believe the new facilities mean higher prices or worse service for them, they can file a FERC complaint.

The rule of decision for such complaints is that the new facilities cannot result in such higher rates or worse service.

The rate (and all terms of service, perhaps continuing over many years) freely negotiated by initial backers, funders, or customers supporting the new facility with capital or contracts, becomes a negotiated "initial rate" that cannot be suspended or re-funded, or challenged under section 5 of the Natural Gas Act.

Transportation service and capacity that is not covered by or committed under the negotiated "initial rate" would be subject to sections 4 and 5 of the Natural Gas Act, and their prohibitions of unjust, unreasonable, or discriminatory rates or services.

New facilities would have to accept a transportation certificate after they start up; this certificate could require non-discriminatory open access as to new capacity opening up in the future on the new facility, or any uncommitted capacity not covered by the negotiated initial rate.

But this certificate would preserve the rates and rights negotiated by the backers of the new facility in their original contract, which becomes the special "initial rate."

DECLARATION ON HUMAN RIGHTS VIOLATIONS AGAINST ALBANIANS IN THE KOSOVO REGION OF YUGOSLAVIA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. LANTOS. Mr. Speaker, I rise today to call to the attention of this House once more the most disturbing state of affairs in the Kosovo region of Yugoslavia. The basic human rights of ethnic Albanians in this region are being systematically violated by the Yugoslavian Federal and Serbian Governments. The ethnic Albanians' rapidly deteriorating situation in Kosovo warrants our immediate attention.

The Assembly of Kosovo, freely and fairly elected, was abolished by the Serbian Government and its assemblymen are being persecuted. Albanian newspapers, radio and television have all been officially silenced. Kosovo's economy is in a state of shambles as a result of its forced integration with Serbia's economy. Unemployment and extreme poverty are rampant. Since March 13, 1981 several hundred Albanians have been killed by the Yugoslav and Serbian armed forces and police. Arbitrary arrest, torture and jailings are common.

It is imperative that we in the Congress send a strong and unified message to those guilty of repression in this region.

Recently in Luxembourg I met with members of the Interparliamentary Group for Human Rights and Democracy. At this conference, a declaration expressing our deep concern for the current state of affairs in Kosovo was signed by members of the European Parliament, the banned Assembly of the Republic of Kosovo and the United States House of Representatives.

I insert the full text of the declaration in the RECORD, and I urge my distinguished colleagues to join us in signing it.

DECLARATION OF THE INTERPARLIAMENTARY GROUP FOR HUMAN RIGHTS AND DEMOCRACY IN KOSOVO

Whereas, we, the undersigned, representing the European Parliament, the U.S. House of Representatives, and the Kosovo Assembly are assembled here in Luxembourg on this seventh day of January 1991 to declare our commitment to peace and stability in Yugoslavia, and cooperation among its people;

Whereas, the worth and dignity of human beings constitute the foundation of freedom, peace and justice in societies governed by the rule of law;

Whereas, political stability in Yugoslavia is closely linked to peace and security in the Balkans and in Europe;

Whereas, several visits by members of our respective legislative bodies to Kosovo have revealed gross and systematic violations of human rights of the Albanian population;

Whereas, the European Parliament and the U.S. Congress have repeatedly drawn the attention of the Yugoslav Federal and Serbian Republican authorities to these violations;

Whereas, several hundred Albanian men, women and children have been killed by the Yugoslav and Serbian Armed Forces and Police since March 13, 1981;

Whereas, thousands of Albanians have been arrested, tortured and jailed in massive and arbitrary police operations;

Whereas, widespread unemployment and poverty have resulted from the mass dismissals of Albanians from work, the systematic dismantling of the Albanian economy, the intentional neglect of its infrastructure and the forceful integration with the economy of Serbia;

Whereas, the denial of education to Albanian children and the segregated schooling is producing a new generation of illiterate and underprivileged Albanians;

Whereas, the denial of health care services brings risk of widespread epidemics;

Whereas, the denial of Albanian participation in public life has made them the only disenfranchised population in Europe;

Whereas, the abolition of the Assembly of Kosovo and the persecution of its Assemblymen, forcing them into exile or detention is a capricious and arbitrary act violating the most elementary rules of democratic and civil society;

Whereas, silencing of the Albanian press, radio and television services has deprived the local Albanian population of its right to be informed in their native language;

Now therefore, we the undersigned, Declare our support of the Kosovo population to assert their rights, and to denounce any form of discrimination;

Declare our support to the Kosovo Assembly to convene and operate under normal and legal circumstances, as the legislative body representing the democratically determined will of the people;

Declare our support to the demand of the Kosovo population for the withdrawal from Kosovo of all Federal and Serbian Army police and special force units brought into Kosovo since March 13, 1981, and to cancel all emergency measures which limit the freedom of action of the Albanian population in government, economic, educational, health care and cultural life;

Declare our support to the request of the Kosovo population to release all political prisoners who have not used, nor advocated the use of, violence;

Declare our support to free and fair elections supervised by international bodies;

Declare our support to the non-Albanian population in Kosovo to maintain their basic human rights;

Declare our support to an open and constructive dialogue with the Federal Government of Yugoslavia to determine a negotiated solution to the problems in Kosovo, and appeal to all people of goodwill to assist us in bringing peace, political stability, humanitarian assistance, economic aid and democracy to Kosovo in order to ensure freedom and justice for all.

CONGRESSIONAL SALUTE TO CAL CENTRAL PRESS

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. MATSUI. Mr. Speaker, I rise to pay tribute to a business that has long been a model of excellence in my community as well as a leader in the printing industry for the past 100 years.

Today, local dignitaries, clients, and friends of Cal Central Press will gather at the Sac-

ramento Railroad Museum to participate in the centennial celebration of one of my community's oldest business establishments.

For the past 100 years, the people of Sacramento have come to rely on the quality and dependability of the employees at Cal Central Press to meet their specific printing needs. In turn, Cal Central Press has been a stable influence on the economic growth of the Sacramento area and currently provides employment for over 200 individuals.

In addition to being recognized as one of the Nation's top printing companies, Cal Central Press has made significant contributions to the enrichment of service organizations in our community. I feel extremely fortunate to have exemplary business establishments like Cal Central Press in my congressional district.

Mr. Speaker, it is my distinct honor and pleasure to ask my fellow colleagues to join me in saluting Cal Central Press on the occasion of its 100th anniversary.

REQUIRE STATES TO PASS ALONG SSI COLA

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. STARK. Mr. Speaker, on January 31, Representatives MATSUI, BOXER, BROWN, DELUMS, DIXON, DYMALLY, EDWARDS of California, FAZIO, LEHMAN of California, MARTINEZ, MILLER of California, MINETA, PELOSI, ROYBAL, TORRES, WATERS, WAXMAN, and I introduced a bill to require States with supplemental SSI benefits to pass along the Federal COLA to beneficiaries.

Last July California decided to deprive California SSI recipients of their 5.4 percent Federal COLA. California is pocketing the extra Federal money to use in other areas and not paying the people for whom the increase was intended.

The Federal SSI benefit in 1990 was \$386 a month for an individual and \$579 for a couple. This amount is well below the poverty level, which for 1990 was \$527 for one person and \$702 for two people. Many States supplement the SSI amount with State funds.

Approximately half of California's 800,000 SSI recipients rely totally on SSI for income. In 1991, it will appear that the Federal Government has not given a COLA. The Federal portion of the SSI check has been raised from \$386 to \$407, and the California SSI supplement portion has decreased from \$244 to \$223, and California pockets approximately \$12 million each month.

Our bill will amend the present law so that States that supplement Federal SSI benefits will have to pass along the Federal COLA to SSI recipients or lose matching Medicaid funds.

Our bill says give the money to the poor or give it back to the U.S. Government.

TRIBUTE TO MICHAEL CARUSO

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. RITTER. Mr. Speaker, I rise today to pay tribute to my constituent and friend, Mike Caruso. Mike is Lehigh University's only three time NCAA wrestling champion and the first engineer matman elected to the National Wrestling Hall of Fame. He was honored at their Wrestling Club's annual dinner on Saturday, January 26, 1991.

Mike has brought to his Alma Mater, the legend of Lehigh's wrestling, his community, his family, and his friends. He was not only a champion on the mat, he is a champion at life. That came through loud and clear at this year's Wrestling Club dinner.

I am submitting for the RECORD an article written by Scott D. Morse, Sports Information Assistant, Lehigh Sports News.

CARUSO TO BE INDUCTED INTO HALL OF FAME

(By Scott D. Morse)

If the ultimate challenge for any collegiate wrestler is to win an NCAA championship, then the ultimate honor for any NCAA champion is to be inducted into the National Wrestling Hall of Fame.

It seems only fitting that Lehigh's lone three-time NCAA champion, Mike Caruso, be the first Engineer wrestler to be inducted, joining former coaches Gerry Leeman and Billy Sheridan.

The ceremonies, which will take place May 3-4 in Stillwater, Okla., will mark an honor not only received by Caruso, but shared with family and friends, Lehigh associates, and even Bob Fehrs, the man he beat three times in the 123-pound NCAA championship finals.

"It all started when Bob and I roomed together on a recruiting trip at Navy," says Caruso of his long-time friend. "We worked out that weekend and it was close, one way or the other. I really couldn't tell you who won."

Both decided not to attend Navy, mainly because "neither of us wanted to have a 5:30 a.m. wake-up call." Fehrs would attend Michigan and Caruso, although he decided very late, would come to Lehigh.

"It was like a catch 22," explains Caruso. "I thought they weren't interested and they thought I wasn't interested. I watched them wrestle in the Eastern tournament my senior year of high school (St. Benedict's in Newark, NJ), and I knew Lehigh wrestling was for me."

A sports enthusiast, Caruso got into wrestling because of his small stature. "Initially, it was my size," says Caruso. "I was 81 pounds as a high school freshman, so my options were limited. My first love was baseball. In wrestling, you can always meet someone your own size."

Needless to say, he found his sport, and went on to excel in it, going 57-1-0 over three seasons, including three national championships—1965, 1966, and 1967—an accomplishment garnered by only 30 other athletes.

It was Fehrs who Caruso would meet each time in the 123-pound finals of the NCAA tournament, and each match was as equal as the last.

"I respect Bob the most for not moving to a different weight," says Caruso. "He could never admit to himself that he couldn't beat me I always respected that."

Caruso is saddened by the trend of wrestlers shifting weights so as to avoid the stronger competition.

"It's really disappointing to see wrestlers these days without the competitive eagerness," says Caruso. "Seeing guys moving away from other strong guys is really bad for the sport. The fans would much rather see two strong guys in an equal match than a one-sided match."

Caruso has certainly taken on the strong opponents throughout his career. For that reason, among many others, he joins Wade Schalles, who wrestled at Clarion University, and the late Richard W. Barker, who founded the wrestling program at Cornell College of Iowa, as this year's inductees. The induction of the three wrestling greats will raise the Hall of Fame membership to 83.

The excitement of being inducted really hasn't hit home yet for Caruso.

"My one concern was living in the past," says Caruso. "It's going to take a while to sink in. As time goes on, this will mean more."

Caruso strongly believes the award is not just his, but for many to share. "I've had tremendous support since I came here in the fall of 1963," says Caruso, now the owner of the M.J. Caruso & Associates insurance firm in Bethlehem. "I think the Lehigh Valley treats newcomers as adopted children."

"No award could ever mean as much as my relationships," explains Caruso. "The plaque in Oklahoma represents all of my relationships within the wrestling community."

Caruso will be honored Saturday, January 26, at the annual dinner of the Lehigh Wrestling Club. The Wrestling Club is limiting its attendance to the first 350 members of guests purchasing tickets at \$25. Reservations for the event, slated for the Mountaintop Campus, may be made through Thad Turner or Jack Abel, cochairmen of the event. Turner can be reached at his office (758-3133) or home (1-967-2207) for additional information.

MAN BATTLING CANCER ALSO FIGHTING INSURER

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. BROWN of California. Mr. Speaker, cancer is a frightening and unforgiving disease.

It requires a patient to focus spiritual, emotional, and physical energies against this dreaded illness. A discouraging development is that health insurance companies are refusing to cover therapies proven effective in the field on experimental grounds.

I am including in my remarks today an article that appeared in the San Bernardino Sun on November 4, 1990, by Marilyn Leary that presents a specific example. I share this with my colleagues because patients should not have to battle cancer and their health insurance companies at the same time:

MAN BATTLING CANCER ALSO FIGHTING INSURER

(By Marilyn Leary)

It takes a lot to get Rudy Castro fighting mad.

He didn't even get angry when he learned he had cancer. He just made up his mind to survive.

But his health insurer, which had refused to pay for anticancer drugs, pushed him too

far when it canceled coverage for the San Bernardino Community Services Department that Castro heads.

Castro viewed the sweeping cancellation as retaliation aimed at him because he insisted on his right to find the best possible cancer treatment.

"I couldn't take that. They are punishing the whole department to get rid of me."

James B. Lukas, spokesman for Health Net, a California health maintenance organization, said the cancellation had no connection with Castro's case.

The insurance was canceled because the department has many older and female employees, and both categories have higher-than-average health bills, he said.

"The costs to Health Net were simply too high."

Peter Groom, an attorney for the State Department of Insurance, said the company was within its rights.

"Group insurance can be canceled for any reasons."

Before the cancellation, Castro, 48, had been battling Health Net to get better cancer treatment.

The Banning resident has kidney cancer that has spread to his lung. It could kill him.

Health Net refused to pay for interferon, a drug that Castro's doctors hope will prolong his life. The insurer said the drug "is investigational."

Health Net based its refusal on the Food and Drug Administration's list of drugs approved for specific illnesses.

Treatment with interferon, a manufactured form of a natural body chemical, costs about \$1,000 a month. The FDA approves it for treatment only of one kind of leukemia, genital warts and AIDS-related tumors. It is not approved for kidney cancer.

Refusal to pay for experimental drugs is becoming the national norm. A survey published in the Association of Community Cancer Centers' Oncology Issues magazine showed that in 1988 insurers denied half of all claims when interferon was prescribed for off-label cancers—those without the FDA label of approval.

"Virtually all insurers now are classifying any new use of cancer drugs or high-technology biologicals as 'experimental.' The resulting delay means that cancer patients do not have access to some proven therapies for years—if at all," said Lee E. Mortenson, executive director of the association.

Health Net is one of hundreds of health insurance nationally that will not pay for experimental drugs.

Blue Cross, California's largest health insurer with more than 1.5 million members in just one of its plans, also refuses to pay for treatment with non-FDA approved drugs.

"Patients don't understand why we can't insure them for experimental treatments," said Beth Powis, spokeswoman for California Blue Cross.

"There is no proof that it will help. There may be unfavorable results."

Despite the odds, Castro persisted.

Castro, an amiable, burly man, struggled through eight months of futile argument with Health Net even when a company employee told him in a telephone call that "we know you are terminal."

The remark was like a kick in the stomach.

"It freaked me out. I prefer to be declared terminal after I'm dead."

But even then, he didn't lose his temper.

The last straw came when Health Net canceled its agreement for health-care coverage for all 83 members of Castro's community

services department, which provides services to the poor and elderly.

"I try to deal with things with humor, but I couldn't find anything funny about that," Castro said.

"There is no way to express the frustration, disappointment and emotional stress Health Net has put me through over eight months."

Castro learned late last year that he had renal cell carcinoma—cancer in the left kidney.

"When the doctor told me, I thought, 'Wow, I'm dead.'"

And the day before surgery to remove the kidney there was another unpleasant message: "I was having lunch and my fortune cookie said, 'Now is the time to take care of all final business.' You can imagine how that made me feel."

The kidney was removed, along with surrounding tissues and nearby lymph nodes. Cancer specialist Dr. Jack P. Schwartz then prescribed Health Net-approved chemotherapy once a week to prevent a recurrence. But an examination early this year at St. Bernardine Medical Center found three metastatic tumors in Castro's left lung.

Schwartz told Castro he wanted to refer him to the City of Hope in Duarte for interleukin, a powerful anticancer drug.

Health Net refused to authorize the referral, saying interleukin was an experimental drug.

It was Health Net's first refusal of treatment for Castro.

On March 8, oncologist Schwartz told Castro he would treat him with interferon. A day later, Health Net refused to pay for it, saying interferon also was an experimental drug.

Schwartz immediately sent a note to Health Net's medical director, accompanied by a long hand-written list of research articles reporting good results when interferon was used to treat kidney cancer. He pointed out that he was treating two kidney cancer patients with interferon and Medicare was paying for it.

Schwartz ended his letter with this line: "An urgent reply is requested since this patient has a progressive disease."

While Schwartz awaited a reply, the company refused two more requests to approve interferon treatment for Castro. After the second refusal, Castro filed a formal complaint with the State Department of Insurance on June 21.

Kerry Fletcher, spokeswoman for the state insurance department in San Francisco, would not comment on the complaint, saying all investigations are confidential.

On October 18, seven months after Schwartz sent his letter, he heard from Dr. Leonard Knapp, Health Net's medical director. Knapp told him that new research had found interferon effective against kidney cancer.

But Health Net had canceled the department's coverage one week earlier.

Since then another health maintenance organization has stepped in, said Charles Adams Jr., community services department personnel director.

As of Thursday, the department was covered by the Loma Linda Health Plan, an HMO based in Loma Linda.

Castro can continue to see the same oncologist. And he hopes that this time, treatment with interferon will be approved.

"Now I think it's time for me to get all the treatment I can get."

CONGRATULATIONS TO STATE CHAMPS TROUSDALE COUNTY HIGH SCHOOL YELLOW JACKETS

HON. BOB CLEMENT

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. CLEMENT. Mr. Speaker, I would like to extend hearty congratulations to the Trousdale County High School Yellow Jackets, who won the State football championship last month.

Over the past 4 years, the Yellow Jackets have gone from the worst won-loss record in 30 years to the best record in the school's history. In fact, last season's 14-0 record was the most consecutive wins in the school's history and the first undefeated season since 1977.

In the championship game, the Yellow Jackets played against the reigning State champions, Bruceton. And, in the 14-7 win, the Yellow Jackets ended the State's longest winning streak at 29 games. It is, indeed, a tribute to both teams that this critical game was low scoring. I was present on the sidelines during the game and I can attest to the fact that both teams fought with great determination and dedication. I congratulate all of the players and coaches, as well as the teams' supporters.

I also want to express very special congratulations to the Yellow Jackets' head coach, Clint Satterfield. Accompanied by assistant coaches Jim Satterfield, James Plumlee, and Phillip Taylor, Clint has instilled discipline and self-confidence in his athletes. Under his watchful eyes, the team has developed into a well-trained and hardworking squad.

I want to congratulate principal Toby Woodmore and Assistant Principal William Beasley for their untiring work on behalf of the team. And special thanks need to be extended to team manager Timmy Davis and cheerleaders Lissa Thompson, Toni Johns, Tina Hodges, Marli Pruitt, Wendy Webb, Jamie Oliver, Tina Gregory, Tish Holt, Holly Smith, and Bridget Trisdale. I know the team members are grateful for the ongoing support all of these individuals gave during the long season.

Mr. Speaker, without further ado, I would like to recognize and personally congratulate the individual members of the State championship Yellow Jackets team. They are:

Senior players: Rodger Reed, Corey Gammons, Shawn Williams, Shane McGowan, Troy Calhoun, Brian Gregory, Wayne Hawkins, and Dewayne Harper.

Junior players: Michael Mungle, Wenn Turner, John Hehn, Billy Allen, Troy Schabacker, Brian Hawkins, Charlie Freeman, Shannon Woodmore, Marty Carr, and Tony Shivers.

Sophomore players: Jackie Brown, Michael Roberts, Jason Holder, Shane Blackwell, William Vanoven, and Mike Cunningham.

Freshman players: Sherrod Hicks, Brandon Helm, Phillip Dean, and Timothy Towns.

I know the parents of these players and all of the townspeople of Hartsville are proud of the team. I am pleased to join them in saluting the Yellow Jackets on winning the State football championship for 1990.

INTRODUCTION OF THE RENEWABLE ENERGY AND ENERGY EFFICIENCY TAX ACT OF 1991

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. SHARP. Mr. Speaker, today, I am introducing the Renewable Energy and Energy Efficiency Tax Act of 1991 as part of a package of bills I am introducing as components of a national energy policy.

This legislation has three sections that will encourage the greater use of renewable energy to generate power, encourage customers to take advantage of rebates for energy efficient investments, and encourage the use of mass transit.

RENEWABLE ENERGY PERFORMANCE TAX INCENTIVE

The use of renewable energy has grown exponentially since the 1970's.

Currently there are nearly 1,400 MW of wind capacity installed in California, which generated enough power in 1990 for the residential needs of a city the size of Washington.

Solar powerplants in the Mojave Desert are the largest in the world, with 194 MW installed currently and another 450 MW under construction or contract.

The United States is the world's largest producer of electricity from geothermal energy, with 2,200 MW installed capacity in the Western States.

These successes were brought about by the development of better technology that was partially fueled by tax incentives in the early 1980's. Another important factor was the passage of the Public Utility Regulatory Policies Act [PURPA] which required utilities to purchase power from renewable energy powerplants.

These technologies are poised for further breakthroughs. To this end, the 101st Congress enacted the Sharp-Lloyd-Fowler bill, which provided for public-private joint ventures to develop the next generation technologies. Last year Congress also lifted size limitations on renewable energy powerplants so they could take advantage of economies of scale.

However, to achieve the environmental benefits that greater commercial use of these technologies would have, REEETA provides a 2½-cent per kilowatt hour performance tax credit for powerplants that run on solar, wind, and geothermal energy.

It is called a performance incentive because the incentive is tied to actual production, in order to reward efficient operators and prevent tax shelter abuses with equipment that does not work. It contains a sunset provision to ensure that the temporary incentive does not become a permanent subsidy; it only applies to powerplants built in the first 6 years after enactment and to power produced during the first 10 years of a plant's operation.

It is my hope that this incentive will help utility executives and others to take into account the full national benefits, both to the environment and to energy security, of using these power sources rather than traditional energy sources and will help close the gap between the cost to the utility of those conventional

sources and the cost of renewable energy powerplants.

UTILITY REBATES DECLARED AS NONTAXABLE INCOME

Current IRS rules declare that utility rebates to consumers who install energy efficient equipment are counted as taxable income. Meanwhile, rebates on a host of consumer products such as cars are not considered taxable income. Making such utility rebates nontaxable will encourage greater energy efficiency in homes and businesses, as well as reduce the administrative burden on utilities which now have to report all rebates to the Internal Revenue Service. This provision is similar to H.R. 4249 sponsored by Congressman KENNELLY last year.

TAX STATUS OF EMPLOYER SUBSIDIZED PARKING AND MASS TRANSIT

REETA reverses a tilt in current tax law that now encourages commuters to use cars rather than mass transit. It declares employer-subsidized parking fees taxable income, while making employer-subsidized mass transit fares nontaxable up to \$75 per month. Currently, payment for parking goes untaxed while payment for transit fares are considered taxable income.

This change only applies to subsidies for parking fees in commercial lots or garages. Parking provided for employees in company-owned lots or garages that are not generally open to the public will not be taxed. This provision should help encourage commuters who have a choice to get out of their cars and onto mass transit, which is far more energy efficient and far less polluting.

Altogether, I hope this bill will help rebuild the momentum for renewable energy and energy efficiency that was lost in the last decade.

I urge my colleagues to join with me in co-sponsoring this important legislation.

CONGRESSIONAL SALUTE TO THE SACRAMENTO FAMILY OF THE YEAR WILLIAM HALLERMAN FAMILY

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. MATSUI. Mr. Speaker, I am honored to rise today to bring to my colleagues' attention the tremendous contributions of a very special family from Sacramento, the William Hallerman family.

This evening the community will hold a celebration dinner in honor of the Hallerman family to name and award them 1990 Sacramento Family of the Year. The purpose of this award is to focus the attention on families and their importance to the children in our community.

William Hallerman and his wife, Ellen, have brought eight beautiful children into this world. Dedicated to their children, they are as committed to their community, devoting much of their time to serving charities, community service organizations, and their church.

William Hallerman, Sr., is currently the chief executive officer of the Sacramento Area United Way. His son, Bill, Jr., is currently a director of the Loaves and Fishes Program to fund

the homeless. His daughter, Karen, is the executive director of Chrysalis, an organization which helps to provide housing and jobs for the homeless. Another son, Mark, is an Eagle Scout. All eight of the children have pursued higher education for some length of time. Clearly the entire family shares in the commitment to help make the communities in which they live better places.

The diversity in their efforts, and the broad range of activities in which they participate are a testament to the quality of the family experience they share. We can only hope that by their nomination for this award other families can see the positive influence which a sharing, caring, and dedicated family can present to the community.

Mr. Speaker, I know that my colleagues join me in congratulating the William Hallerman family for receiving this prestigious award and to extend our wish that they continue their exemplary endeavors that serve as an example for all the families of our great Nation.

SMOKING-RELATED DEATHS INCREASE AS TOBACCO PROFITS SOAR

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. STARK. Mr. Speaker, the Wall Street Journal reports that Philip Morris posted a 19-percent gain in profit on its domestic tobacco business and more than tripled its international tobacco business in its fourth quarter. While profits are up, so are smoking-related deaths. More than 434,000 Americans died in 1988 from health problems caused by smoking, according to a newly released study by the Center for Disease Control. This number represents an 11-percent increase over the 1985 number.

While Philip Morris reaps profits from tobacco sales, Medicare and Medicaid pay \$4.2 billion a year for the treatment of tobacco related illnesses. It seems only fair that, as a cost of doing business, the tobacco industry should reimburse the Federal Government for these expenses.

I've introduced two bills, H.R. 698 and H.R. 699, that would collect a tax from tobacco companies to reimburse the Federal Government for the health costs of smoking. The tax on each company would be directly related to the market share of that company. With profits like Philip Morris just reported, the tobacco industry appears quite able to pay for the damage it wreaks.

TRIBUTE TO MR. AND MRS. ANTHONY GEORGE

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to Mr. and Mrs. Anthony George of my 17th Congressional District of Ohio, who

will be celebrating their 50th anniversary of marriage on February 24, 1991. Mr. and Mrs. George were married at St. Patrick's Church in Washington, DC, and returned to their home city of Warren, OH, where they have dedicated the last 50 years to family and the community.

Born of immigrant parents, Mr. and Mrs. George were instilled with the vision of the American Dream; an ideal that teaches the value of hard work and love of country. During World War II, Mr. George served with the U.S. Army in the 795th Antiaircraft Automatic Weapons Battalion. Mr. George later became an active member of the Trumbull County Democratic Central and Executive Committees. He served at committee functions for many years, often supervising fundraising events and inaugurations.

Mr. and Mrs. George have been lifelong members of St. Cyril and St. Methodius Catholic Church in Warren and have taught their own children the values of their immigrant parents, Mr. and Mrs. George have four children: Patricia, a teacher at Howland High School for the past 23 years; Monica, a librarian and media specialist with the North Clackamas School District No. 12 in Milwaukie, OR; Gregory, a family practice physician in Hermitage, PA; and Margie, a housewife. Mr. and Mrs. George have three grandchildren: Tonya, Jimmy, and Omar.

Mr. Speaker, I would like to take this opportunity to recognize Mr. and Mrs. Anthony George as outstanding and model Americans who have fought for and upheld the many values and beliefs our country was founded upon. Mr. and Mrs. George have given their children every ounce of their resources, guidance, energy, and love. I would like to congratulate Mr. and Mrs. George on the anniversary of their 50th year of marriage and thank them on behalf of their four children. It is truly an honor to represent them.

THE PRESIDENT'S FISCAL YEAR 1992 BUDGET

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. MICHEL. Mr. Speaker, the President has been presented his fiscal year 1992 budget to the Congress today. This budget is consistent with the deficit reduction agreement reached between the President and Congress last fall.

The President's budget proposes discretionary spending levels in line with the statutory caps for defense, international and domestic discretionary programs; implements the entitlement reforms enacted as part of the budget agreement last year; and conforms to the new pay-as-you-go requirements.

Yes, the President has proposed entitlement reforms. Yes, they are in excess of the amount necessary to offset receipt losses and proposed entitlement expansions, required by pay-as-you-go rules. But, last year's agreement has not been breached, as some have alleged.

We face record deficits. The President has decided to suggest some additional areas of

cost containment to further reign in the deficit. He should be commended for doing so.

Now it is up to Congress to begin work on the budget.

If there is disagreement with the President's priorities or proposals, then it is up to Congress to produce an alternative.

The budget agreement must stand. And the Congress has to take a stand—are we going to try to work with him, or will the President's budget be greeted in Congress by another version of "DUA"—demagoguery on arrival?

TAXATION OF COOPERATIVE HOUSING

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. GREEN of New York. Mr. Speaker, today, I rise to introduce legislation to amend the Internal Revenue Code of 1986 to exempt cooperative housing corporations from the provisions of section 277 of such code. As a Member of Congress who probably has more housing cooperatives in his district than any other Member, I feel that it is necessary to ensure that the intent of Congress regarding the taxation of housing cooperatives is not thwarted by the Internal Revenue Service.

Section 277 was enacted in 1969 to tax revenues derived by membership organizations, such as country clubs and hunting lodges, from services which they provided to nonmembers at a higher fee than members paid. It states that nonmember income of membership organizations cannot be used for tax purposes to offset the cost of providing services to a member. Only the direct costs of that service can be deducted for tax purposes. There is nothing in the history of section 277 which indicates that Congress intended to apply section 277 to housing cooperatives, and the effort of the IRS subsequently to apply that section to them seems to be most inappropriate.

Furthermore, cooperatives are very well regulated without invoking section 277. Section 216 of the Internal Revenue Code sets strict standards for qualification as a cooperative, and affords to qualifying cooperatives the right to pass along to shareholders the deductions for mortgage interest and for real estate taxes. Subchapter T further defines cooperatives by providing for extensive taxation guidelines. Clearly, co-ops are well regulated by existing law, and the application of section 277 is an unwarranted intrusion.

I should like to emphasize that cooperatives are worthy vehicles for providing affordable housing. In the past, the Federal Government has recognized this fact and given cooperative housing its support and encouragement. The majority of cooperatives are owned by middle- and low-income families. Many were constructed with Government insured loans and some were federally assisted through housing production programs. In order to preserve cooperatives as providers of affordable housing, I believe that they must be protected from misguided overtaxation under section 277.

I strongly encourage my colleagues to join my efforts to protect housing cooperatives

from onerous taxation that would result from the application of section 277. The IRS efforts to impose section 277 taxation on housing cooperatives will no doubt have serious ramifications not only for cooperatives in New York but for those throughout the Nation.

TAX FAIRNESS FOR THE SELF-EMPLOYED

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. DORGAN of North Dakota. Mr. Speaker, in the 101st Congress, 243 House Members joined me in cosponsoring legislation to extend and expand the 25-percent tax deduction for amounts paid for health insurance on behalf of self-employed individuals. The tax deduction expires at the end of 1991, and with its expiration, a major step that Congress has taken toward providing equity among taxpayers in the matter of health insurance deductions regardless of their status as sole proprietors, partnerships, or corporations.

Today, I introduce for myself, Mr. JENKINS, Mr. CHANDLER, Mr. GRANDY, and many other distinguished colleagues, legislation to provide equity for self-employed taxpayers by extending the current 25-percent tax deduction through 1992 and 1993, expanding it to 50 percent in 1994 and 1995 and phasing in full 100 percent deductibility of the health insurance premiums in 1996.

Saving and expanding the health insurance cost tax deduction is important to farmers, ranchers, and small business owners who conduct their businesses as sole proprietors. Competitors organized as C corporations are able to take advantage of full deductibility of these same health costs. The same treatment should be available for self-employed taxpayers.

Aside from the important issue of equity, health insurance costs continue to spiral upward at an alarming rate. At a time when 37 million Americans do not have any health insurance coverage, the goal of the Federal Government ought to be to stimulate and encourage employer-provided health insurance, and this legislation provides an important incentive to ensure that self-employed individuals can provide for their own insurance needs.

I urge my colleagues to join me in this effort to provide equitable tax treatment and an incentive to ensure adequate health coverage by cosponsoring this bill. We ought to be encouraging self-employed taxpayers to provide sufficient health care coverage for themselves, their families, and employees.

The full text of the bill follows:

H.R. 784

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) paragraph (1) of section 162(l) of the Internal Revenue Code of 1986 (relating to special rules for health insurance costs of self-employed individuals) is amended by striking "25 percent" and inserting "the applicable percentage".

(b) Paragraph (6) of section 162(l) of such Code is amended to read as follows:

"(6) APPLICABLE PERCENTAGE.—For purposes of paragraph (1)—

"In the case of taxable years beginning in calendar year:

	The applicable percentage is:
1992 or 1993	25 percent
1994 or 1995	50 percent
1996 or thereafter	100 percent."

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1991.

INTRODUCTION OF THE STRATEGIC PETROLEUM RESERVE ENHANCEMENT ACT OF 1991

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. SHARP. Mr. Speaker, as one of a series of energy policy bills, I am today introducing legislation to expand the size of our strategic petroleum reserve [SPR] by boosting its fill rate and its ultimate authorized size, and to put it on a self-financing user fee basis.

As we all know, the SPR has been our major economic defense against devastating oil price increases during the oil market turmoil of recent months, and I share the nearly unanimous sentiment that we should enlarge and fill SPR as soon as possible.

This is a key goal for three reasons:

First, though the administration regrettably did not use the SPR to protect the economy in late 1990, when prices briefly hit the \$40 level, simply having this huge reserve placed us in a far better situation than we were in during the two disruptions of the 1970's—when we had no reserves at all and could not afford to antagonize any major Mideast oil exporter. Even though it was unused, SPR made it possible for the United States and its allies to consider and carry out the worldwide embargo of Iraqi and Kuwaiti oil exports in August 1990. Remember, in the 1970's, they embargoed us; in 1990, we embargoed them. That's a big difference, and the U.N. embargo would not have even been suggested, much less successfully executed, without a large SPR to dampen industry and consumer supply panic. The same is true of the current war.

Second, when the administration refused to use the SPR in late 1990, we heard the following rationales: "Save it in case a bigger crisis comes along, such as the destruction of the Saudi oil fields. Don't use it yet. It might not be big enough to help us now and help us out of a bigger crisis later." Plainly, this logic strongly supports a bigger SPR.

Third, when the administration finally did use the SPR on January 16, in tandem with the large reserves of our allies, oil prices actually fell by record levels. Certainly, some of that was due to apparent early military success and rising hopes of a short war and no disruption; but some of it was due to the selling of over 1 million barrels per day of SPR oil.

In sum, Mr. Speaker, the SPR works. Though we used it "too little and too late," it has still proven itself. We should accordingly enlarge and fill it.

This bill does that, in a rapid and aggressive way, without budget costs to the Federal Gov-

ernment. It is similar to measures earlier sponsored by our late and dear colleague, the distinguished Mickey Leland, and also cosponsored by Chairman DINGELL and myself, and endorsed by the House Budget Committee.

Instead of filling SPR with appropriated funds that further raise the deficit, this bill places the costs of filling SPR upon oil consumers and the oil industry. It imposes both a SPR storage requirement for, and a SPR user fee on, imported oil.

Like the mandatory commercial oil storage programs of several of our allies, it requires companies importing crude oil into the United States to place 200,000 barrels per day—about 3 percent of their imports—into our SPR. The companies would continue to own their oil. Importers of refined products would similarly store some of their imports in the newly established refined product reserve Congress created last year.

Even if all the costs of this oil storage program are fully passed through to American consumers—and they probably will be—the motorist and the heating oil consumer will only see a price rise of about 70 cents per barrel, or under 2 cents per gallon.

Is 2 cents per gallon too much to pay, for a rapid filling of our SPR to a level of 1 billion barrels by the late 1990's? I don't think so.

Is 2 cents per gallon too much to pay, in order to save about \$1.5 billion per year in Federal spending on SPR? I don't think so.

Is it time to end our frequent debates over how fast we'll fill SPR, and whether it's worth it, and whether we can afford it? I hope so.

Mr. Speaker, this bill also raises the authorized size of the SPR from the current level of 1 billion barrels, to a new level of 1.5 billion barrels. Even at the fill rate set by this bill, we would not reach the 1.5 billion barrel level until after the year 2000. But as a policy matter, especially in view of the likely rise in our future oil import levels, we should agree now on the policy goal of a larger SPR.

By supporting these changes, my colleagues will help put this major, proven weapon against new disruptions into a rapidly growing, self-financing, and usable status.

Don't count on the Persian Gulf miraculously becoming a peaceful, stable area in the years ahead. Expect more problems. Plan for them now. Help fill our strategic petroleum reserve. Many believe that oil may fall to very low price levels after the current conflict ends. This tells us that it may soon be an ideal time to fill the SPR, and that the possible price impact on our consumers may be very small.

The following is a brief summary of the bill: Section 1: The bill's short title is "The Strategic Petroleum Reserve Enhancement Act of 1991."

Section 2: This section imposes a storage requirement on oil importers that in the aggregate will equal an average daily fill rate of 200,000 barrels, and raises the ultimate size of the SPR to 1.5 billion barrels.

Each importer of crude and refined oil would have to store roughly 3% of its net imports in the SPR. The 1975 Energy Policy and Conservation Act has discretionary authority for such a program, which this bill makes mandatory.

Importers of refined products would store 3% of their imports in the newly established refined product reserve, up to that reserve's maximum authorized capacity. After that

point, they would store an equivalent amount of crude oil in the crude oil SPR.

The approximately 3% "set aside" totals the required 200,000 barrels per day of SPR fill, at current U.S. Oil import levels of about 7 million barrels per day. If import levels rise or fall, the Secretary of Energy would adjust the percentage figure so that it yields the required fill rate of 200,000 barrels/day.

This fill rate is about six times as high as the 35,000 barrel/day rate in effect in 1990, and close to the record fill rate of 250,000 barrels/day achieved in 1981.

While all importers continue to own their stored oil, only the President could withdraw it from the SPR, and then only during a severe or a regional disruption, as existing law specifies.

Importers, not the U.S., would receive sales revenues from any of their oil sold during a drawdown. The proven economic benefits of a large SPR depend on being able to place a large amount of oil into a disrupted market; they do not depend on whether the government or private companies own the oil. Hence, there is no public disadvantage associated with the private ownership of these stocks.

The privately-owned oil would be deemed to be the first oil withdrawn in a future crisis. This maximizes the value of the privately contributed oil.

Private ownership of the stored oil is what makes possible a cut in Federal appropriations for buying SPR oil. With a world oil price of \$20, a high fill rate like that set by this bill would cost \$1.533 billion per year. That is the annual appropriations saved by adopting this plan.

To make the program more workable, the contribution of 3% of each day's actual physical imports is not required. Exchanges, paper swaps, credits, and payments would be used by DOE to minimize unnecessary shipping costs and ensure the injection and storage of proper grades and mixes of oil.

The 590 million barrels of oil now in the SPR (less withdrawals during the current sales period) would remain fully owned by the U.S. government.

Mr. Speaker, some may contend that this bill is really an oil import fee: The argument is that it will necessarily raise the costs of oil importers—like an import fee does—and that they will then pass on those higher costs to our consumers.

But I have always opposed an oil import fee, and I disagree with this contention.

First, this bill in fact is not a tariff or tax on imported oil. It is instead an oil storage requirement, of the same type that is authorized by the Energy Policy and Conservation Act of 1975 (EPCA).

Second, though our major trading partners have traditionally opposed an oil import fee, they themselves have instituted similar commercial oil storage programs to meet their oil stock requirements under the International Energy Program. Nothing in that program requires us to bill our taxpayers to fund our oil reserve (as we now do), instead of oil consumers (as this plan does).

Third, oil importers will continue to own the stored oil, and it will continue to have a real economic value for them. The oil thus may be a cost or an asset to them, and they might not pass on all their higher oil storage costs to U.S. consumers—as they are presumed to do in the case of an import fee.

Fourth, import fees are not likely to bring us appreciable protection against future disruptions. Many studies show such fees slightly raise domestic oil output at a huge price,

with the domestic oil production gained by a fee typically raising consumer prices by over one hundred dollars per "extra" barrel. But this bill is far more modest in cost, and it gives our consumers large savings later on—in the form of lower oil prices in a disruption—in return for possible small increases now.

Section 3: The costs of preparing underground storage sites for the SPR have to date been only a fraction of the cost of purchasing oil for SPR:

Purchasing oil has cost \$16 billion in nominal dollars over the last ten years.

Spending for underground storage sites and installing related injection and withdrawal facilities has totaled \$3 billion since the late 1970s.

This bill assesses future SPR storage site costs against importers, in protection to their future imports which will be stored in those new sites.

Section 4: Conforming and technical amendments.

A BILL TO REVISE THE RULES ON FOREIGN OWNERSHIP OF U.S. AIRLINES

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. CLINGER. Mr. Speaker, 2 weeks ago, Eastern Airlines, an airline with a long and proud history, ceased operations. Pan Am and Continental, two other major airlines, are operating under the protection of the bankruptcy laws. It is estimated that the airline industry lost \$2 billion last year.

It is clear that our Nation's airline industry is in trouble. Today I am introducing legislation to try to help. This bill will improve the airline industry's access to capital by liberalizing the rules on foreign investment.

Currently, U.S. airlines must be 75 percent owned by U.S. citizens. Foreign citizens are permitted to own no more than 25 percent of the voting interest of the airline corporation. As a result of this restriction, airlines have difficulty obtaining funding to survive and grow.

My bill, by raising the limit on foreign ownership to 49 percent, would make it easier for our airlines to raise necessary funds. This could help some financially ailing airlines to survive and would help all airlines weather the current storm so that they can prosper and grow. As such, this bill will help prevent consolidation and concentration in the airline industry, enhance competition, and lead to better service and lower fares for all passengers.

It is also important to realize that international aviation is changing. Just as we have seen in many other industries, a globalization of the airline industry appears to be occurring. This is already apparent in the code sharing and other relationships between our airlines and their counterparts in foreign countries. We must recognize this globalization process and allow our airlines to respond to it. Investment is an integral part of that response. My bill will create an environment that is conducive to foreign investment in the U.S. airline industry.

Secretary of Transportation Sam Skinner has recognized the need for this as well and has moved to liberalize the rules to the extent

that he can under current law. But Congress has an important role to play in this process, both in revising the law and in setting the limits.

It should be emphasized that my bill will not permit unrestricted foreign ownership of U.S. airlines. In addition to the 49 percent limit, there are several key restrictions that are crucial features of this bill. These restrictions will ensure that the new liberalized rules in this bill are not abused by foreign interests.

The first restriction requires that any foreign investor must come from a country that has a procompetitive air service agreement with the United States. This will ensure that a foreign airline will not be able to use these liberal investment rules to gain access to international routes that it has been unable to obtain through bilateral negotiations. Foreign countries must be willing to fully open their aviation markets before we will let their citizens make the investment in U.S. airlines permitted by this bill.

The second restriction requires that the foreign country of which the investor is a citizen would permit the same level of U.S. investment in its airlines as it citizens is seeking in our airline. This will ensure that there is reciprocity in the application of these foreign investment rules.

The third restriction requires that the key offices of the airline continue to be occupied by U.S. citizens. This will ensure that the airline remains in the control of American citizens.

The fourth restriction requires that the investment be consistent with our national security. This will ensure that U.S. airlines do not fall into the hands of our enemies. It is also designed to ensure that aircraft will continue to be available for the Civil Reserve Air Fleet [CRAF] Program that has been instrumental in ferrying troops and supplies to the Middle East.

The Secretary of Transportation is directed to make a finding on each of these restrictions. If a particular investment in a U.S. airline would not be in the public interest, the Secretary would have the power to block it.

I believe this bill could aid our ailing airline industry, will help to move that industry into the 21st century, and is carefully drawn to prevent any abuses. I would urge this Congress to give it careful consideration.

IN RECOGNITION OF THE BURNS HARBOR PLANT OF BETHLEHEM STEEL CORP.

HON. PETER J. VISCLOSKEY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. VISCLOSKEY. Mr. Speaker, it is with great pleasure that I rise today to commend the workers and management of Bethlehem Steel Corp's Burns Harbor plant. Burns Harbor was recently recognized as the Nation's first integrated producer of sheet steel to earn the General Motors "Mark of Excellence" award for superior supplier performance.

Employee input and cooperation throughout the plant made this achievement possible, but I would like to specifically recognize the con-

tributions of the plant's two chapters of the United Steel Workers of America led by Paul Gipson, president of local 6786, and Sandy Sutton, president of local 9144. I would also like to recognize Joseph Emig, vice president and general manager at Burns Harbor, for this outstanding accomplishment.

The "Mark of Excellence" award culminated an 18-month effort by employees at the Burns Harbor plant to meet the requirements of GM's targets for excellence process. General Motors introduced targets for excellence, a continuous improvement process for its suppliers, more than 3 years ago. The aim of targets for excellence is to evaluate and assist suppliers in five key areas: Quality, cost, delivery, management, and technology. This process measures a company's current capabilities and, more importantly, its potential to improve. The award further solidifies Bethlehem's reputation as a world-class supplier of quality steel products.

All of those affiliated with Burns Harbor should be proud of their outstanding efforts. As a "Mark of Excellence" designee, the plant is distinguished as a supplier that has demonstrated to General Motors the capacity and desire to be a long-term partner in pursuit of quality, customer satisfaction, and a competitive position that results from continuous improvement. We in northwest Indiana are familiar with their accomplishments, and I am pleased that deserved recognition has now been achieved on a national level.

ARIZONA'S COPPER INDUSTRY BUOYS ECONOMY

HON. JIM KOLBE

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. KOLBE. Mr. Speaker, with our country in the midst of an economic slump, I am pleased to report some good news: the resurgence of the Arizona copper industry. Copper has played a large role in Arizona's economy since the late 1800's. After falling on tough times, the copper industry has reemerged a success. In fact, in 1989, Arizona produced about 60 percent of total U.S. output.

The expansion projects already begun at Arizona mines total more than \$500 million, and 700 jobs were added to the Arizona work force in 1989 alone. At a time when Arizona, as well as the rest of the United States, needs an economic boost, the copper industry's productivity and profits are especially encouraging.

I commend to my colleagues a feature article appearing in *The Business Journal*, week of December 24, which explains the struggles and successes of the copper industry in Arizona.

COPPER'S COMEBACK BUOYS ECONOMY JUST WHEN ARIZONA NEEDS IT THE MOST—HIGHER PRODUCTIVITY PRICES SPARK REBOUND

(By Scott Rodrian)

After taking some hard knocks in the 1980s, Arizona's copper industry has scratched its way back to financial health.

All of the companies with major copper mining operations in Arizona—Phelps Dodge Corp., Magma Copper Co., Asarco Inc. and Cyprus Minerals Inc.—are booming. Produc-

tion is growing, productivity is at record levels and profits are strong.

These four firms combined have more than \$500 million worth of expansion projects under way at mines in Arizona. And after years of declining employment levels, Arizona's copper industry added 700 workers in 1989, bringing its ranks to 9,500 workers.

The comeback of copper mining in Arizona is "one of the greatest stories of American industry," contends Peter Anker, a metals analyst with First Boston Corp., New York. "These companies really had their backs to the wall . . . and now they're setting the pace worldwide."

Dick Beard, a mining engineer with the Arizona Department of Mines and Mineral Resources, says copper firms are "enjoying some fat margins. [Arizona] is producing about the same amount of copper as 10 years ago, but with about one-half the employees. Productivity is sky-high."

Profits have shot up as well. Consider these third-quarter results:

Phoenix-based Phelps Dodge posted record earnings of \$126.2 million on revenues of \$674.2 million;

Magma, based in Tucson, reported record net income of \$28.9 million on sales of \$202.9 million;

Asarco, New York, showed net earnings of \$59.4 million on sales of \$594.3 million; and

Cyprus, with headquarters in Englewood, Colo., posted earnings of \$42.2 million on revenues of \$493.1 million.

Moreover, the copper industry's recent prosperity has been a boon for Phoenix and Tucson companies that supply mining firms with heavy equipment and other products. [See related story, page 9.]

For example, John Whiteman, president of Mesa-based Empire Machinery Co., says his firm has sold more than 50 Caterpillar trucks to mining firms in the past year and half. These huge trucks, ranging in size from 140 to 200 tons, carry price tags of up to \$1 million each.

"Our sales increased 15 percent from 1989 to 1990," says Whiteman. "That's primarily been fueled by copper [industry] purchases."

A key to the industry's resurgence has been the surprising strength of copper prices over the past three years. The price per pound of copper jumped to more than \$1 in 1988 and should average roughly \$1.20 for 1990, analysts say. And although copper prices have begun to slip, the metal last week was still trading around \$1.12 a pound on the Comex exchange.

Although many analysts project that copper will fall to less than \$1 next year, mining firms claim they are ready. They have been preparing for such a downturn for years by slashing costs and lowering their break-even points. Phelps Dodge could break even with copper as low as 61 cents. Anker believes, Asarco at about 66 cents, Magma a little higher and Cyprus at around 75 cents.

Richard Osborne, chairman of Asarco, puts it this way: "I fully expect we will see copper at a lower price next year. Our earnings will drop, but our strategic plans will stay in effect."

But copper prices are only part of the turnaround story, say executives and analysts interviewed by the *Business Journal*. They point instead to the painful restructuring the industry went through in the 1980s—a time when bitter strikes, layoffs and cutbacks were the order of the day. [See related story, next page.]

"We had to make hard decisions in the mid-80s: salary cuts, no bonuses, no company cars, layoffs, shutdowns," says Leonard

Judd, president and chief executive officer of Phoenix-based Phelps Dodge, the nation's largest copper producer, with \$2.5 billion in assets.

"What we've created here at Phelps Dodge—out of necessity—is a company that can stand 75 cent copper prices. And I think that, long term, is going to be the salvation of the industry."

Indeed, while production levels of copper in Arizona have remained fairly steady throughout the 1980s, nearly everything else has been transformed. Employment levels and production costs have plummeted, while technology, labor relations, management methods, and even the way ore is mined and processed have changed.

"We're talking about a new [Management] structure that virtually eliminates authoritative supervision," says J. Burgess Winter, president and chief executive officer of Magma. "These are such exciting times to be in the business of mining copper."

Copper, which is used extensively in automobiles, electronics and construction, has played a large role in Arizona's economy since the first major mines appeared in the late 1800s. Arizona has yielded more copper than the rest of the states combined, and in 1989 produced about 60 percent of total U.S. output.

It's estimated that the state's known copper reserves can last for half a century at least.

In 1989, Arizona's economy gained \$6.7 billion as a result of the copper industry, according to an annual report prepared by George F. Leaming, of the Western Economic Analysis Center, Marana. That total economic benefit was 2.5 times more than the value of Arizona copper production in 1988, Leaming reports.

What makes the copper industry's turnaround so remarkable is that so few saw it coming. When a 1984 Business Week cover story proclaimed "The Death of Mining," the industry did appear to be down for the count.

The copper industry's woes started in the early 1980s, when the metal dropped in price from almost \$1.50 to some 60 cents a pound. The decline occurred primarily because several Third World countries, determined to maintain employment levels at their mines, flooded the market in the face of a worldwide copper glut.

The price drop devastated the U.S. copper industry. Almost every copper mine in the United States was forced to shut down—some temporarily, some not. Strikes ensued, layoffs and cutbacks became commonplace, and the industry became drenched in red ink.

Instead of a collapse, what occurred was a shakeout: Many copper companies vanished during the early '80s. Phelps Dodge became the industry's main producer, replacing Anaconda and Kennecott, which no longer survive as copper manufacturers. Cyprus quickly became Arizona's second-largest producer after buying up several properties, putting it ahead of the state's only other major survivors: Asarco and Magma.

Despite their differences, all of the surviving copper companies embarked on similar missions in the '80s: to slash costs, raise productivity and eliminate fat.

The numbers tell the story. In 1981, employment in the Arizona copper industry peaked at 21,900 workers, and production was a state record 1.15 million tons of copper. Now the slimmed-down industry employs just 9,500 mine workers, while copper production has held fairly steady, with 1 million tons produced in 1989.

The upshot is that worker productivity has doubled, from about 62 pounds of copper per

man-hour in 1981 to 118.7 pounds per man-hour in 1989, according to data from the Arizona Department of Mines and Minerals.

Improvements in labor relations have been an engine for change in the copper industry. Once a union stronghold, where confrontation was commonplace, the Arizona copper industry now is only about 50 percent organized.

"Labor suddenly realized they weren't in the driver's seat anymore," says Beard, "and management realized it's a hell of a lot easier to get along than suffer through a strike every year."

Says David Ridinger, president of the Arizona Mining Association: "They're into participative management these days."

Across the board, management is trying to coax productivity from its workers. Employees are being cross-trained to perform multiple jobs and are being encouraged to approach their supervisors with ideas for improvement.

At Magma's underground mine in Superior, workers can gain bonus checks by meeting production deadlines; and at Phelps Dodge, managers at its Morenci mine have begun holding monthly, no-holds-barred meetings with their employees.

"We're teaching people how to be nice to each other," quips Pete Chen, assistant manager of Phelps Dodge's Morenci branch.

In addition to implementing kinder, gentler management techniques, copper companies have used technology to improve productivity and slash production costs. Reducing production costs hasn't been easy; after all, there are only so many ways to blast rock out of the ground, haul the ore to a crusher and pull out the copper content (which typically amounts to less than 1 percent).

But copper companies have found new ways. Bigger trucks mean that ore can be hauled from the pit more inexpensively and quickly. Computers—now used for everything from dispatching trucks to regulating the smelting process—have brought new levels of efficiency to the mines. And in-pit crushing and conveying systems, like the one at Phelps Dodge's Morenci mine, are being installed to haul ore even more efficiently.

"You'd be surprised how quickly the mining industry is changing," says Ray Winslow of Modular Mining Systems, Tucson. "The people who don't want anything to do with computers are vanishing pretty quickly."

But the technology that has made the biggest impact is solvent extraction/electrowinning. With SX/EW, the crushing, milling, smelting and refining processes are completely bypassed.

The SX/EW process uses acid to dissolve copper from certain low-grade ore. Typically, the cost of the SX/EW process is half that of conventional methods.

Although the process was developed in Arizona in the 1960s, SX/EW didn't really catch on until the 1980s. Today, all the copper companies are implementing SX/EW processes wherever they can.

In addition to the four large copper companies in Arizona, smaller players may show up if copper prices stay high enough, Beard believes. He points to Arimetco, which operates a mine in northern Cochise County. That mine yielded 48,000 pounds of copper in 1989—not a lot, but something.

"I believe there's a lot of potential for smaller operators," Beard says.

TRIBUTE TO CAROLE A. COWAN,
ED.D.

HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. ATKINS. Mr. Speaker, it is with great pleasure that I rise today to recognize the investiture of Carole A. Cowan, ED.D., as the new president of the Middlesex Community College in Massachusetts.

Dr. Cowan, formerly the dean of administration and finance at Middlesex Community College brings with her a long list of professional and academic accomplishments illustrating her devotion to the field of education.

In 1963, Dr. Cowan launched her educational career at Salem State College when she received a bachelor of science degree in business education. After several years working as an educator and administrator, Dr. Cowan completed her doctorate in education at the University of Massachusetts in 1982.

During her career she has served the Massachusetts education community as a respected teacher of both high school and college. Her effectiveness as an educator and her dedication to teaching were honored by her peers in 1976, and again in 1978 when she was selected Middlesex Community College Teacher of the Year. Over the years, she has also been a tireless lecturer at seminars and conferences discussing a variety of issues from legal concerns in higher education to better communications and techniques for identifying effective teaching behaviors. In addition, Dr. Cowan's accomplishments go well beyond academia, she is also deeply respected by the Massachusetts business community as an expert in management and communication strategies.

Dr. Cowan's outstanding accomplishments illustrate her vivacious attitude and overall dedication to the field in which she has been so involved. Her years of experience as an educator and an administrator provide a perfect balance from which to effectively serve the educational needs of Massachusetts. At a time when this country struggles to define its educational responsibilities, I am proud to bring to the attention of my colleagues a woman who's efforts on behalf of education should serve as an example to all.

Mr. Speaker, I commend and congratulate Dr. Carole A. Cowan for her accomplishments in the educational field and wish her much success as the new president of Middlesex Community College.

INTRODUCTION ON THE STRATEGIC PETROLEUM RESERVE ECONOMIC RESPONSE ACT

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. SHARP. Mr. Speaker, I am today introducing a series of energy bills that I hope will become part of a national energy policy. One is the Strategic Petroleum Reserve Economic Response Act.

This bill changes the trigger for using the strategic petroleum reserve. Its use in a crisis would still be discretionary with the President. But instead of asking him to consider whether an oil shortage exists, this change would also expressly let him consider whether oil prices have risen too high.

In today's world oil market, any physical shortfall is of course immediately translated into higher prices—just as a glut of oil translates into low prices. Thus, this amendment simply acknowledges economic and market reality by directing the President's attention to oil prices, which are after all the real cause of the economic harm that strategic petroleum reserve seeks to minimize.

This change is needed because several administration spokesmen have argued that strategic petroleum reserve cannot and should not be used unless there is a physical shortage of oil. They based that view on the language of the statute—which was drafted in 1975, when oil prices were controlled, oil contracts were fixed price and long term in nature, and few competitive liquid markets were available to oil companies and traders. The result was that physical shortages were indeed possible in those earlier days.

Now, however, world oil markets are much different: Contracts are short term. Prices are volatile, move quickly up and down to ration supply in a shortfall, and balance demand with supply during both gluts and shortfalls. Large cash and futures markets are open to the entire industry.

It now makes no sense for administration spokesmen to contend—as some did last fall in justifying their refusal to use strategic petroleum reserve—that strategic petroleum reserve cannot be used to affect oil prices, or that strategic petroleum reserve cannot be used unless there is a physical shortage of oil. Such poor logic could prevent any use of strategic petroleum reserve ever—because its use will always affect prices, and because physical shortages will probably never exist.

CONSTITUTIONAL AMENDMENT TO
REQUIRE A BALANCED FEDERAL
BUDGET

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. ERDREICH. Mr. Speaker, today I am introducing a resolution proposing a constitutional amendment to require a balanced Federal budget. As the President today proposes a record level of deficit spending, it is clear that it is past time that we put in our Constitution a clear mechanism to aid our budget-balancing efforts, one that will compel both the Congress and the President to make the tough budget choices that must be made. Huge, recurring deficits pose a continuing and grave threat to our Nation's economic future. The balanced budget amendment would restore much needed fiscal common sense and restraint to the budgetary process.

My resolution does not propose anything radical. It simply requires that outgoing expenditures match incoming revenues. This is

the same principle that operates the budgets of families, businesses and many of our States every day. And although the Federal budget is much more complicated than each of these budgets, the principle must still apply.

Mr. Speaker, with my support in the 101st Congress we were able to obtain consideration of a balanced budget amendment by getting 218 signatures on a discharge petition. The vote for passage on July 17, 1990, was overwhelming, 279-150, but fell seven votes short of the necessary two-thirds margin needed for a constitutional amendment.

The events of 1990 show in no uncertain terms the need for a balanced budget amendment. For many months, the budget summiters met while the American public fumed at the inability of the President and Congress to devise a plan that would attack the budget deficit. The final budget package adopted by the Congress and endorsed and signed by the President was one that raised taxes by over \$140 billion. I did not agree with many components of this act and voted against it. And, as many across America, I strongly disagreed with the process that produced it. I feel my constitutional amendment would force a more rational budget process, something we all should applaud.

Mr. Speaker, the Gramm-Rudman-Hollings Act was circumvented many times after its enactment. I believe that the enforcement mechanism incorporated in the Budget Reconciliation Act of 1990 may be similarly circumvented, this sabotaging any hopes for true deficit reduction. A strong balanced budget amendment must be employed to bring fiscal discipline to the budget process. The balanced budget amendment is needed not only to eliminate our current fiscal crisis, but to insure that this Government remains financially stable and healthy for the future generations it must serve.

HEINOUS CRIME AGAINST
DEFENSELESS NONCOMBATANTS

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. YATRON. Mr. Speaker, as we focus attention on the war in the Persian Gulf, we must not lose sight of a recent atrocity which claimed the lives of two American helicopter crewmen in El Salvador. On January 2, a UH-1H helicopter was shot down by Salvadoran rebel forces. Two of the three crewmen survived the crash, but were shot and murdered by FMLN rebels.

This heinous crime against defenseless noncombatants constitutes a gross violation of international humanitarian law. Those responsible for these crimes must be brought to justice. However, efforts to allow the judicial process in El Salvador to work will clearly be thwarted by the guerrillas who are intending to set up a kangaroo court to try the accused. Guerrilla justice, whether administered by the Contras in Nicaragua or Renamo in Mozambique is not, and never will be, that of an independent and impartial tribunal.

Mr. Speaker, it would be a grave miscarriage of justice for the rebels to stage this

illegal trial and I would urge our colleagues, the human rights community, and the United Nations to denounce these proceedings and to call on the rebels to hand those accused over to Salvadoran Government authorities so that they can be tried under the Salvadoran court system.

Mr. Speaker, I do not mean to overlook or minimize the problems of the Salvadoran judicial system. I do suggest, however, that there is a significantly greater opportunity for justice to prevail under Salvadoran jurisprudence than under rebel chicanery.

THE HOSPITAL CHARITY CARE
ACT—H.R. 790

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. ROYBAL. Mr. Speaker, today I am calling upon the Congress, the administration and the nonprofit hospital community to take corrective action. Once again we must require that tax-exempt hospitals provide, to the extent the hospital's finances allow, services to the medically indigent. The Charity Care Act, which I am reintroducing today, will do just that.

I want to express my appreciation to the General Accounting Office, the Treasury Department and the Internal Revenue Service [IRS], the National Association of Counties, the Congressional Research Service, and several hospital organizations, including the American Hospital Association, the Catholic Health Association, and Volunteer Trustee of Not-For-Profit Hospitals, for their advice and assistance in preparing this legislation.

I am pleased to report that we have made progress on this important issue over the past year. The Internal Revenue Service has begun an effort to tighten up the requirements with respect to charity care and have put out a clear message that all tax-exempt hospitals have a responsibility to provide a fair amount of charity care. The Committee on Ways and Means, the key authorizing committee, and Representative DONNELLY have helped push this issue further and they seem ready to act in the 102d Congress. Similarly, more States have taken further steps to tighten up the charity care requirement and more action is expected this year. During this same time, the press has increased its scrutiny of the charity care issue and has helped to make the public and the hospital community more aware of what public responsibilities tax-exempt hospitals have.

Let me provide some background on the issue as well as an overview of the Charity Care Act. On June 28 last year, the House Select Committee on Aging held a hearing to examine first, how much and what kind of charity care is provided by private, tax-exempt, nonprofit hospitals, and second, what legislation is needed to assure that all tax-exempt hospitals provide appropriate amounts and kinds of charity care to poorer patients of all ages.

To help with this examination, I released a General Accounting Office [GAO] study, "Non-

profit hospitals: Better Standards Needed for Tax Exemption," prepared at my request. The GAO probe of nonprofit hospitals and their tax-exempt status documented a troubling situation where many nonprofit, tax-exempt hospitals have too little commitment to poorer Americans. Fifteen percent of tax-exempt hospitals in GAO's study have less charity care and bad debts than the Federal and State value of their tax exemption. If only charity care is counted, 57 percent of the study's tax-exempt hospitals provide less charity care than the value of their exemption.

To quote the General Accounting Office:

This report concludes that the Congress should consider revising the criteria for hospitals' tax exemption if it believes that providing charity care should be a fundamental basis for such an exemption.

Considering our critical need for hospital charity care, I believe legislative action is needed.

Over one-half of America's hospitals are private nonprofit institutions. These hospitals are a vital but uncertain cornerstone for ensuring hospital care for millions of underinsured Americans. Through the late 1960's, private nonprofit hospitals' tax-exempt status depend on their commitment to providing care for those with a limited ability to pay. Since 1969, the Internal Revenue Service loosened its requirements by allowing community benefits to justify hospital tax-exempt status. This loosening of the requirements allowed many nonprofit hospitals to substantially reduce or eliminate their commitment to lower income Americans.

According to the GAO study, many nonprofit hospitals are looking more like for-profit hospitals and are focusing almost totally on paying patients. Those nonprofit hospitals remaining committed to caring for poorer Americans are at a competitive and financial disadvantage. Their willingness and ability to continue substantial amounts of charity care are a great source of concern.

In recent years and as cost and competition pressures increased on hospitals, many nonprofit hospitals have not only reduced their commitments to poorer Americans but have apparently shifted available resources toward community activities. These community activities are often used for marketing the hospitals to only insured Americans. As a result, the medically indigent are getting squeezed out and shipped off to Government hospitals or to nonprofit hospitals still having a commendable commitment to indigent care. To their credit, many nonprofit hospitals are carrying their fair share, but they are unfairly penalized for being good caring citizens while their competitors focus on only paying patients.

No one should interpret the GAO report, or my request for the GAO study, as a call to remove tax-exempt status. These should interpret the report or my request as a call for America's conscience to prevail and for the appropriate use of tax-exempt status to help protect the poor and near poor. With the value—Federal, State, and local taxes foregone—of hospital Federal tax-exempt status estimated at over \$8 billion annually, we must once again target this vital Federal resource at providing hospital care to uninsured, underinsured, and disadvantaged Americans.

Further, no one should interpret my Charity Care Act as a solution to the problems of medically indigent Americans. It is not. However, until this Nation commits itself to a national health policy protecting all Americans, it cannot afford to lose the \$8 billion in protection that the value tax-exempt status potentially offers. Tax-exempt status should continue for nonprofit hospitals and charity care should be a fundamental basis for that Federal tax-exempt status.

To bring about this change, we believe that the Charity Care Act needs to be quickly enacted into law. Our intent is to preserve hospital tax-exempt status and to ensure that it is used to fairly and humanely provide charity care to millions of Americans unable to afford desperately needed hospital care.

What would the Charity Care Act do? Beginning with tax years after December 31, 1993, the bill requires a private tax-exempt hospital to serve both Medicare and Medicaid patients. It requires a hospital to provide a reasonable amount of charity care—defined as unreimbursed care to the medically indigent, bad debts and Medicaid allowances. For a hospital with too few medically indigent in its service area, other service, contractual and financial arrangements may be made to make up any shortfall. Charity care must be worth at least as much as 50 percent of the value of a hospital's tax exemption. Also, a hospital is required to provide other community benefits worth at least as much as 35 percent of the value of a hospital's tax exemption. To assist the Internal Revenue Service [IRS] in administering this provision, hospitals are required to obtain review and comment from their respective State and furnish it to the IRS.

For purposes of this act, the value of the tax exemption is based on a national target percentage. This is the percentage which Federal, State, and local taxes foregone—taxes which tax-exempt hospitals do not have to pay—are of gross hospital receipts. As appropriate, this figure is adjusted downward to ensure that no more than 25 percent of hospitals are affected. If a hospital can show that this percentage is too high for it, the IRS will use the lower figure. If the IRS determines that the percentage is too low for a particular hospital, it may use the higher figure. In all cases, this requirement is dependent upon a hospital's financial ability.

If a hospital fails to meet the charity care and community benefit requirements, IRS will publish a notice in the first year. In subsequent years, IRS will impose a 100-percent excise tax on any shortfall between the amounts of a hospital's qualified charity care and community benefits and a hospital's tax-exemption value. In general, IRS still retains the authority to revoke the exemption when appropriate. To ensure that the hospital tax exemption's value is not lost, any excise taxes collected from a State's hospitals will be returned to that State and be used only for charity care in public hospitals and private tax-exempt hospitals.

Again, the intent of this legislation is to ensure that the value of the tax-exemption given to a private tax-exempt hospital is used to help meet critical social needs. In my view and given the state of health care in America, the caring provision of charity hospital care is a

critical social need and one to which this legislation can make some contribution. This is not the panacea for the problems of over 30 million uninsured Americans and millions more of underinsured Americans, but it can provide some relief as we tackle more comprehensive solutions to ensured financial access for all Americans. Further, it can restore some fairness between the hospitals who do more than their fair share to help the medically indigent and those who fail to do their fair share.

Mr. Speaker, I insert the attached description of the bill in the RECORD:

CHARITY CARE AND HOSPITAL TAX-EXEMPT STATUS REFORM ACT—"RESTORING COMMITMENT AND FAIRNESS"

Section 1. Short title.

Section 2. Determination of tax-exempt status for hospitals to be based on provision of charity care, care to Medicaid and Medicare patients, and other community benefits.

In addition to any other criteria set by the Commissioner of the Internal Revenue Service, the Commissioner is required to use the following criteria in determining whether or not a private, nonprofit hospital, including any nonprofit elements of a reorganized health system substantially engaged in hospital care, qualifies initially and on an ongoing basis for tax-exempt status:

a. The hospital is required to serve a reasonable number of Medicaid and Medicare patients consistent with its size and community needs and in a nondiscriminatory manner, have an open door policy toward Medicaid and Medicare patients, and provide documentation to that effect, and

b. Except to the extent that the hospital can demonstrate financial inability, it is required to provide an amount of qualified charity health care (measured by costs) in a non-discriminatory manner that is at least as much as 50 percent of the value of its tax-exempt status. What qualifies to be counted as qualified charity care is (1) the amount of uncompensated care (defined as (i) free care provided to persons with limited or no ability to pay, (ii) care provided at a discount, commensurate with ability-to-pay, to persons with a limited ability to pay for care, and (iii) the amount of care written off as bad debt (not including bad debt for third party payers), and (2) Medicaid allowances (difference between costs and reimbursements) resulting from hospital care provided to Medicaid patients.

A hospital may also count as charity care the cost incurred in providing health care and other health-related services, whether provided directly or by establishing financial or other contractual arrangements, which together are designed primarily to improve the health of members of their community or other communities who are medically underserved and disadvantaged.

c. A hospital is required annually to provide other documentable community benefits in an amount that is at least as much as 35 percent of the value of its tax-exempt status. In order to be counted toward meeting this requirement, the community benefits must be those that generally would not otherwise be provided in the community by hospitals that are not tax-exempt. For purposes of meeting this requirement, only the amount of costs not recovered from other funding sources can be used. In addition, any charity care qualifying under "b" and exceeding the requirements of "b" may be used to help satisfy this requirement.

d. A hospital is required to provide further written justification as to how it benefits

the community in ways that are unique from hospitals that are not tax-exempt.

e. The Internal Revenue Service is to revise the annual information returns for exempt organizations to collect this information.

f. A hospital with tax-exempt status is required to send a complete copy of its annual information return to the State in which the hospital is located and to obtain and forward the State's review and comment in the same manner as is detailed in "Section 4."

The value of the tax-exempt status for a hospital is deemed to be the amount that represents the target percent of a hospital's gross revenues. Annually, the Internal Revenue Service is to set the national target percentage based on the most recent and best available data on nonprofit hospitals. The national target percentage is calculated from the estimated federal, state and local taxes foregone as a percentage of estimated gross revenues. However, the target percentage is to be set by the Internal Revenue Service so as to generate a deemed value of the tax-exempt status which 75 percent of private tax-exempt hospitals are estimated to exceed with their qualified charity care and community benefits.

If the Internal Revenue Service determines that the actual value of the tax-exempt status for a hospital is substantially greater than the requirement, the Internal Revenue Service may use the higher value. If the Internal Revenue Service determines that the value of the tax-exempt status for a hospital is substantially less than the requirement, the Internal Revenue Service shall use the lower value. As noted above, the application of this requirement shall take into account a hospital's financial inability to meet the requirement.

Within two years of enactment, the Internal Revenue Service is to implement, if feasible, a methodology for measuring the value of federal, state and local taxes foregone for individual hospitals and how this would change the charity care requirement. Within one year after enactment, the Internal Revenue Service, in consultation with the Department of Health and Human Services, is to submit recommendations to Congress on how to treat a nonprofit hospital that clearly and consistently (a) meets the Medicaid and Medicare requirement and (b) exceeds the basic requirements on charity care and community benefits. These recommendations are to suggest ways to reward this type of hospital by (a) reducing the amount and/or frequency of reporting requirements or (b) other appropriate methods.

Section 3. Excise tax on failure to meet charity care and community benefit requirements.

While the Internal Revenue Service retains the authority to remove tax-exempt status in cases where they determine that such action is the most appropriate action, several other sanctions are established.

In the first year that IRS determines a tax-exempt, nonprofit hospital is not in compliance with this act, it is to notify the hospital and publish a public notice that the hospital is not in compliance and may lose its tax-exempt status. If the hospital continues to be out of compliance in the subsequent year, IRS is to assess the excise tax described in the following paragraph. If the hospital continues to be out of compliance in another subsequent year, the IRS may either continue the application of the excise tax or remove the tax-exempt status.

In general, IRS is also given the option to impose, when appropriate, a 100 percent ex-

cise tax on the amount by which the value of the tax-exempt status exceeds the value of charity care and other community benefit provided. If this amount is less than one percent of the amount of a hospital's total gross receipts and there are unusual circumstances justifying a higher sanction, IRS may impose a 100 percent excise tax on one percent of the amount of a hospital's total gross receipts.

All revenues collected from the above excise tax are to be used to offset an increase in the year's federal matching rate under Medicaid (Title XIX of the Social Security Act) that corresponds to the collection of the tax. The federal matching rate for Medicaid for a given State is to be adjusted to match revenues collected from hospitals located in that State. In order for a State to be eligible to receive increased federal matching funds, it is required to document that an additional amount at least equal to the amount of the increased federal matching funds is made available to public and tax-exempt, nonprofit private hospitals to help pay for the provision of charity care for the year in which the revenues are collected.

Section 4. State review and comment on application for tax-exempt status for hospitals.

A hospital requesting tax-exempt status is required to send a complete copy of its federal request for tax-exemption to the State in which the hospital is located and to obtain the following:

a. A statement from the State Medicaid agency certifying that, to the best of the State's knowledge, the hospital is expected to openly serve Medicaid patients (this may be waived for States which only contract with a limited number of hospitals and the hospital has made a reasonable effort to obtain a contract) and Medicare patients and does not discriminate against Medicaid and Medicare patients, and

b. A statement from the State verifying that, to the best of the State's knowledge, the hospital is expected to meet the charity care and community benefits requirements.

The statements by the State must be furnished to the IRS in a timely fashion and prior to IRS rendering of a determination of tax-exempts status.

Section 5. Effective dates.

Reporting requirements, including the State review and comment, made under this act take effect for tax years beginning after December 31, 1992. The new requirements for determining tax-exempt status under this act take effect for tax years beginning after December 31, 1993 for all hospitals. Nothing in this Act is intended to affect the interpretation of requirements in effect prior to the effective dates.

NEW YORK CITY SYNAGOGUE RECEIVES 19TH CENTURY TORAH SCROLL

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. WEISS. Mr. Speaker, I rise today to commemorate Congregation Beth Simchat, located in the 17th Congressional District of New York. On November 16, 1990, Congregation Beth Simchat, New York City's gay and lesbian synagogue, held a very special public ceremony to dedicate a 19th century torah

scroll. The scroll, originally from Kladno, Czechoslovakia, was written in the early 1800's. It was one of 1,564 scrolls that were collected in Prague by the Nazis, and later recovered from the Holocaust by the Westminster Synagogue of London.

This torah scroll is part of a long, rich Jewish-European history. The first known Jewish population in Kladno, a town in central Bohemia, was recorded as early as 1685. By 1942, 1,600 Jews from Kladno had been deported to the concentration camp at Theresienstadt. Although 124 Kladno Jews returned to their homes after the defeat of Nazi Germany, no congregation exists there today.

The selection of Congregation Beth Simchat as the new home of this historic torah scroll is an honor not only to the synagogue, but to my entire district. I am pleased to have the opportunity to congratulate and applaud the congregation on this exciting and joyous event.

THE DEMOCRACY IN PRESIDENTIAL DEBATES ACT

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. PENNY. Mr. Speaker, today I have introduced legislation that will institutionalize debates in Presidential campaigns, and will help to rekindle dwindling voter participation and interest in our elections.

At the same time as democracy is spreading throughout the world, there are unmistakable signs of public dissatisfaction with our democratic processes. We are all aware, for example, of the lack of voter turnout in our elections—91 million people, 50 percent of the eligible electorate, voted in the 1988 Presidential elections; and a New York Times poll found that 66 percent of those who did vote were unhappy with the choice of candidates. In the 1990 midterm elections, as estimated 36 percent of the eligible electorate voted. There is a shortfall in public funding for Presidential elections, a direct result of Americans failing to check off the box on their income tax statements which directs money to this fund.

We must act now to reclaim the faith and interest of a cynical electorate. In a campaign environment that is increasingly dominated by photo opportunities and 30-second sound bites, there are strong indications that voters feel increasingly starved for free, open, and substantive discussion of real political issues. Presidential debates can make a profound contribution to the health of our democracy, for they have become an important forum for exposing citizens to the ideas of candidates running for national office. The 1988 Presidential contest was the fifth campaign in which candidates debated each other in a televised format. While 160 million people watched the debates, there was overwhelming dissatisfaction expressed. People felt that the debates were staged and scripted events, with minimal discussion of substantive issues. In response, several of my colleagues have introduced debates legislation intended to force Presidential candidates to speak to the issues of concern to the American people.

Critical to any legislation concerning the Presidential debates is that it provide for a forum from which all significant candidates who meet certain criteria can express their positions. The Democracy in Presidential Debates Act has three essential parts. First, it requires all candidates who receive primary matching funds, should they win the nomination of their party, to participate in at least two Presidential general election debates. Second, the legislation requires the sponsor of the debate to be a nonpartisan entity, thereby guaranteeing that the format of the debates will be in the voters' interests, not the candidates' interests. Third, the legislation sets objective criteria for the inclusion of significant national independent and minor party candidates. Historically, such candidates have been fertile sources of new ideas and new programs, and provide opportunities for the American public to enter into a diverse and open dialog on the critical issues of the day. These candidates often represent views held by large segments of the disenfranchised of our population, and their inclusion will surely stimulate discussion of substantive issues. In the interests of fairness and free and open dialog, all significant candidates who meet the stringent criteria set forth in this legislation must be included in the debates.

There is clear need for legislation to institutionalize the debates, to designate the sponsors as a nonpartisan entity, and to set objective criteria for including significant independent and minor party candidates. The narrowness of the Presidential debates, their scripted nature, is the source of their lack of vitality and credibility. Including significant independent and minor party candidates is a critical aspect of democratizing the debates and broadening our national dialog. The American public has made it clear they want broadness and inclusion. As we look toward the 1992 elections and beyond, we must look for ways to increase voter participation and strengthen American democracy. I urge my colleagues to join me in this effort.

The bill follows:

H.R. 791

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 "Democracy in Presidential Debates Act of 1991".

SEC. 2. DEFINITION OF PRESIDENTIAL CANDIDATE DEBATE.

Section 9002 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(13) The term 'Presidential candidate debate' means, with regard to any Presidential election, a debate at which each candidate nominated for election to the office of President by a political party or as an independent candidate meeting the qualifications set forth in this title, appears and participates in a regulated exchange of questions and answers on political, economic, and other issues."

SEC. 3. PRESIDENTIAL ELECTION DEBATES.

"(a) IN GENERAL.—Chapter 96 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

***SEC. 9043. PRESIDENTIAL ELECTION DEBATES.**

"(a) ADDITIONAL ELIGIBILITY REQUIREMENTS.—In addition to the requirements

specified in section 9033, in order to be eligible to receive any payments under section 9037, the candidates for the office of President and Vice President in a Presidential election shall agree in writing—

"(1) that the Presidential candidate will participate in not less than two Presidential general election debates with all other candidates meeting the criteria set out in this section;

"(2) to participate in such Presidential debates, one of which shall be held in the month of September before the Presidential election and one of which shall be held in the month of October, at least two weeks prior to the election;

"(3) that the Vice Presidential candidate will participate in not less than one Vice Presidential general election debate with all other candidates meeting the criteria set out in this section;

"(4) to participate in such debate, which shall be held in the month of October between the two Presidential debates; and

"(5) to participate in such Presidential and Vice Presidential debates as sponsored by a nonpartisan organization or organizations having no affiliation with any political party.

Each debate under this subsection shall last at least 90 minutes, of which not less than 30 minutes shall be devoted to question and answers or discussion directly between the candidates, as determined by the sponsor. The sponsor of the debates shall announce the time, location, and format of each debate prior to the first Monday in September before the Presidential election.

"(b) ENFORCEABILITY.—If the Commission determines that a Presidential or Vice Presidential candidate failed to participate in a general election debate under subsection (a) and was responsible at least in part for such failure, the candidate of the party involved shall pay to the Secretary of the Treasury an amount equal to the amount of the payments made to such candidate under section 9037.

"(c) CRITERIA FOR ELIGIBILITY TO PARTICIPATE IN GENERAL ELECTION DEBATES.—In order to be eligible to participate in general election debates, as set out in this section, a candidate must meet the following criteria:

"(1) BALLOT QUALIFICATIONS.—Such candidate has qualified for the election ballot as the candidate of a political party or as an independent candidate to the office of President or Vice President in not less than 40 States.

"(2) FINANCIAL QUALIFICATIONS.—Such candidate—

"(A) has qualified to receive payments under section 9033 and this section; or

"(B) as reported under section 304 of the Federal Election Campaign Act of 1971, has raised not less than \$500,000 on or after January 1 of the calendar year immediately preceding the calendar year of the Presidential election.

"(d) SPONSORING ORGANIZATION.—Any sponsoring organization shall include in the general election debates all candidates who meet the criteria in this section."

(b) CLERICAL AMENDMENT.—The table of sections for chapter 96 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 9043. Presidential election debates."

SEC. 4. TECHNICAL AMENDMENT.

Section 9032(2)(A) of the Internal Revenue Code of 1986 is amended by inserting after "election," the following; "including, for independent or minor party candidates, initi-

ating petition signature gathering activities to be placed on the ballot for the general election".

HAPPY BIRTHDAY ROBERT D.
MCCLLOUD

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. PAYNE of New Jersey. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues a happy occasion that took place last weekend in my district. That occasion was the celebration of the birth of Mr. Robert D. McCloud. Mr. McCloud became 80 years old on Sunday, February 3.

Today, more often than not, we hear a great deal about the mobility of our society, the weakening of the family structure, and a lessening sense of community. I am proud to note that the McClouds are the exceptions to the "rules."

Robert D. McCloud is the proud father of 13—6 girls and 7 boys. His lineage includes scores of grandchildren and seven great grandchildren. His children are productive members of our society—son Thomas is a lawyer and director of public affairs of the National League of Cities; son Robert, Jr. is a retired Master Gunnery Sergeant, U.S. Army; son Sam is a manager of Ethicon, a subsidiary of Johnson & Johnson; daughter Rosseta is a teacher in the Newark, NJ public school system; and daughter Beatrice is a legal secretary with the prestigious law firm of McCarter and English.

The McClouds have been long-time members of the same community. They have resided in the same home for more than 30 years. This home is part of a tucked-away community in my hometown. In fact, I represented this area during my tenure as a member of the Newark Municipal Council. This is a neighborhood with a strong block association—an association that exhibits pride and caring and sharing.

Mr. McCloud is the son of 105-year-old Mrs. Alice McCloud of Dothan, AL and widower of Pearlina A. McCloud. He is a retired employee of the New Jersey Central Railroad. He is deacon and treasurer of Wells Cathedral, Church of God in Christ in Newark, NJ.

Mr. Speaker, I am sure my colleagues will want to join me as I wish Mr. Robert D. McCloud a happy birthday and congratulate the McClouds on being persons we can look to, with pride, as we recommit ourselves to the strengthening of the family and the shoring up of our senses of community and pride.

PREVAILING WAGE RATE
ADJUSTMENT REFORM ACT OF 1991

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. HOCHBRUECKNER. Mr. Speaker, at a recent meeting with National Guard techni-

arians on Long Island a serious problem was brought to my attention. An appropriations pay cap on the annual salary increase allowed in the Federal wage system [FWS] has denied Federal blue collar employees across the Nation wage parity with their occupational counterparts in the private sector. Today I am introducing legislation that will correct this injustice. This legislation, the Prevailing Wage Rate Adjustment Reform Act of 1991, seeks to lift the unfair wage cap and base future pay adjustments on the annual local wage surveys of private industry that accurately reflect regional economies. This is the companion bill to legislation being introduced in the Senate today by Senator CLAIBORNE PELL of Rhode Island.

The intent of the Congress in establishing the Federal wage system was to pay Federal blue collar workers according to the private sector wages in each of the 135 geographic wage grade survey areas across the country. However, since 1979, the appropriations pay cap has limited the annual adjustments in FWS pay to the percentage increase received by General Schedule [GS] employees that same year. Because of this restriction, pay for FWS workers in many areas no longer reflects the local prevailing rate paid to employees in similar jobs in private industry.

Nationally, Federal wage system worker salaries now lag approximately 10 percent behind those paid in the private sector. FWS pay lags as much as 28 percent behind private sector salaries in some areas. The situation is far more severe in some regions because private sector wages have risen far more sharply. The New York Metropolitan area GS workers have received by Executive order an additional 8-percent interim geographic adjustment in pay to take into account that area's enormous pay gap, bringing the total white collar employee salary increase up to 12.1 percent. New York's Federal wage grade employees, on the other hand, were not included in this adjustment, and will receive no more than a 4.1-percent increase in June 1991. FWS employees continue to lag in average of 10 percent behind private sector employees in similar occupations.

The result of the cap is not only an injustice to Federal workers, but continues to produce severe recruitment and retention problems for Federal Government agencies. The FWS provides for special exceptions to be made in determining wages in cases in which there are recruitment and retention problems. But the continued application of pay caps over the past 13 years has created a problem which cannot be remedied by special exceptions. Indeed, special pay alternatives that do exist are now being used as a substitute for adequate comprehensive pay adjustments instead of for the intended purpose of dealing with unusual and limited recruitment and retention problems.

The National Guard on Long Island also faces severe recruitment and retention problems: 82 out of 132 wage grade employees at the 106th Suffolk Westhampton Air National Guard Unit and the Ronkonkoma Army Flight Facility No. 1 now have adjusted salaries. Another problem that has arisen from this situation is that in certain occupations and grades, the minimum appointment rates have been raised up to the highest pay level in the grade,

step five. This gives new employees the same salaries as the experienced workers who have already attained the highest pay step.

The recruitment and retention problems experienced in the blue collar pay system are similar to those experienced in many areas of the country in the General Schedule [GS] pay system. Because of those GS pay problems, the Federal Employee Pay Comparability Act, enacted in 1990, is in the process of reforming the GS system. By 1993, GS pay levels will be determined on a regional instead of a national basis, taking into account living costs and wage levels in each region. I fully support and applaud this reform of the GS pay system. The legislation, however, makes no specific provision that would bring the FWS up to date.

The bill Senator PELL and I are introducing fills that gap by requiring that Federal wage system employees be paid the full prevailing wage rate in each area as determined by local wage surveys. The legislation would provide a fair rate of pay to Federal wage system workers and would make it possible for Federal agencies to recruit and retain the skilled workers required for them to provide services to the public efficiently and effectively.

The text of the bill reads as follows:

Section 1. This Act may be cited as the "Prevailing Wage Rate Adjustment Reform Act of 1991".

Section 2. Without regard to any other provision of law limiting the amounts payable—

(1) to a prevailing rate employee defined under section 5342(a)(2) of title 5, United States Code;

(2) to an employee covered by section 5348 of such title; or

(3) to any other employee subject to section 612 of the Treasury, Postal Service and General Government Appropriations Act of 1991, Public Law 101-509, 104 Stat. 1473; such employees shall be paid, beginning on the effective date of each annual wage survey adjustment in the region after the date of the enactment of this Act, wages as determined and established in accordance with the provisions of subchapter IV of chapter 53, title 5, United States Code.

H.R. 775, THE SUMMER SCIENCE
ACADEMIES ACT OF 1991

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1991

Mr. STOKES. Mr. Speaker, today I rise to reintroduce the Summer Science Academies Act of 1991, H.R. 775. This measure represents one of many measures needed to address the severe underrepresentation of women and minorities in the science, math, and engineering fields.

The challenges facing our country in the next century are complex and pernicious. The foundation of our economy has shifted from manufacturing to one of high technology. This trend, in part, has been accelerated by a strong, competitive global economy and has brought intense pressure on American productivity. Consider, for example, that the United States has become the world's largest debtor nation, incurring substantial trade deficits and

growing increasingly dependent on foreign capital to finance domestic programs.

Following World War II, American businessmen dominated world markets. Today, only one-third of the world's top businessmen are American. Six years ago, the two largest banks in the world were American. Today, not a single U.S. bank ranks in the top five.

As our Nation attempts to address this changing economic climate, we see that the face of our Nation is changing. A larger share of our Nation is minority, and the numbers are growing. In a 1987 report titled, "Workforce 2000," the Department of Labor estimates that by the year 2000, approximately 85 percent of the new entrants to the U.S. labor force are expected to be minorities, women, handicapped, and immigrants, groups which have been historically underrepresented in science, mathematics, and engineering. The Department notes that, "Although this large share of a more slowly growing work force might be expected to improve the opportunities for these workers, the concentration of blacks in declining central cities and slowly growing occupations makes this sanguine outlook doubtful." By the last quarter of the 21st century, as a result of immigration and differing birth rates, Mr. Speaker, it is estimated that minorities, in fact, will be the majority.

While much of the pool of talent for new scientists and engineers is comprised of women and minority persons, these are the very groups which have not had an opportunity to prepare for the scientific and technological demands facing our Nation.

Currently, blacks comprise only 2 percent of all employed scientists and engineers, even though they are 12 percent of the general population. They earn 5 percent of the baccalaureates and 1 percent of the Ph.D.'s in science and engineering. Similarly, Hispanics, our Nation's fastest growing minority group, comprise 9 percent of the population, but account for only 2 percent of all employed scientists and engineers. They hold 3 percent of all bachelor's degrees and 2 percent of all Ph.D.'s in science and engineering.

Our future national economic growth is dependent on our being able to correct the shortage of labor resulting from the large pool of inner-city youth who are not acquiring the basic skills of reading, writing, and mathematics. The issue is no longer just a matter of equity, it is a matter of grave economic necessity.

In a report released in December 1989, "Changing America: The New Face of Science and Engineering," it is noted that:

It is time for action. * * * Many studies have detailed the looming crisis in the science and engineering work force. America faces a shortfall of scientists and engineers by the year 2000. We can meet these shortfalls only by utilizing all our talent, especially those traditionally underrepresented in science and engineering—women, minorities, and people with disabilities. Without this kind of world-class science and technical excellence, America's competitive prospects dim.

The legislation I am introducing today addresses this looming crisis. It will contribute significantly to the recruitment of minorities and women in the high-technology and engineering fields.

Specifically, the bill directs the National Science Foundation to provide grants for the establishment of at least 20 summer science academies for the training of talented economically disadvantaged, minority students and women in the areas of math, science, engineering, and communications. Each academy will provide 8 weeks of intensive instruction to 50 students in each of the grades 7 through 12. The students will return to the academy each summer until completion of their 12th grade academy term. The cost to run the summer science academies is a modest \$2 million in fiscal year 1992. Over a 5-year period, total costs will be about \$26 million.

As we anxiously and sadly watch our country engaged in war, we are all proud of our brave men and women who have been called upon to serve. The American public is equally proud and amazed by the tremendous technological advances we have discovered which have helped protect our troops from danger. If we are to continue this advantage, not just militarily, but in all aspects of our lives, we must make a commitment to these under-represented populations. The President himself most recently promised in his State of the Union Address to support and invest in educational excellence for our children, and to help "make America No. 1 in math and science."

Mr. Speaker, I am confident that this measure will contribute greatly to exposing hundreds of disadvantaged children to educational concepts and experiences to which they otherwise might not be exposed. By taking these steps we will strengthen the foundation upon which the future of our Nation rests. Equity and economic necessity are now part of the same equation. By opening the door of opportunity for these youth, we prevent the door of a socioeconomic crisis from slamming in our faces.

In closing, Mr. Speaker, I also would like to acknowledge and commend Dr. Shirley McBay, dean of student affairs at the Massachusetts Institute of Technology; Shirley Malcolm, of the American Association for the Advancement of Science [AAAS]; and the Carnegie Foundation for their efforts in addressing these issues. The idea for the summer academies was first published in the "Quality Education for Minorities" report. These individuals, with the assistance of the Carnegie Foundation, helped turn this seed of an idea into legislation. I look forward to working with them in getting this measure enacted into law.

I strongly urge my colleagues to support this legislation.

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 Tuesday, February 5, 1991, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

FEBRUARY 6

9:30 a.m.
Governmental Affairs
To hold hearings on proposed legislation to revise the staff honoraria provision of the Ethics in Government Act of 1989 which bans the receipt of money or anything of value for work performed outside the Government. SD-342

Rules and Administration
To hold hearings on proposed committee resolutions requesting funds for operating expenses for 1991 and 1992. SR-301

10:00 a.m.
Budget
To hold hearings to review the economic outlook for fiscal year 1992. SD-608

Judiciary
To hold hearings to review the national drug control strategy. SD-226

10:15 a.m.
Finance
To hold hearings on the prospect of free trade negotiations with Mexico. SD-215

10:30 a.m.
Labor and Human Resources
To hold hearings on the nomination of Andrew Lamar Alexander, Jr., of Tennessee, to be Secretary of Education. SD-430

1:30 p.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1992 for the Consumer Product Safety Commission, Consumer Information Center, Council on Environmental Quality, and the Office of Consumer Affairs. SD-138

2:00 p.m.
Commission on Security and Cooperation in Europe
To hold hearings to examine recent events and trends relating to the prospects of democratization, economic reform and glasnost in the Soviet Union. SH-216

FEBRUARY 7

9:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on S. 207, to provide funds for and to enhance the effectiveness of the Commodity Futures Trading Commission. SR-332

9:30 a.m.
Energy and Natural Resources
To resume hearings on S. 244, providing for a referendum on the political status of Puerto Rico. SD-366

Judiciary
Antitrust, Monopolies and Business Rights Subcommittee
To hold hearings on the impact of restructuring the savings and loan industry, focusing on the Southwest Savings case study. SD-226

Labor and Human Resources
To hold hearings on the nomination of Walter E. Massey, of Illinois, to be Director of the National Science Foundation. SD-430

Rules and Administration
To continue hearings on proposed committee resolutions requesting funds for operating expenses for 1991 and 1992. SR-301

10:00 a.m.
Environment and Public Works
Water Resources, Transportation, and Infrastructure Subcommittee
To hold hearings to examine transportation demand as related to demographic trends. SD-406

Foreign Relations
To hold oversight hearings on U.S. foreign policy. SD-419

1:30 p.m.
Veterans Affairs
Business meeting, to markup proposed legislation relating to Operation Desert Storm. SR-418

FEBRUARY 8

10:00 a.m.
Labor and Human Resources
To hold hearings on the nomination of Susannah Simpson Kent, of Pennsylvania, to be Director of the Institute of Museum Services, National Foundation on the Arts and the Humanities. SD-430

FEBRUARY 19

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings to review a recent report of the Augustine Commission on the future direction of NASA. SD-138

10:00 a.m.
Veterans Affairs
To hold hearings on the nomination of Charles L. Cragin, of Maine, to be Chairman of the Board of Veterans Affairs, Department of Veterans Affairs. SR-418

2:00 p.m.
Energy and Natural Resources
To hold oversight hearings on U.S. national energy policy. SD-366

FEBRUARY 20

9:30 a.m.
Rules and Administration
Business meeting, to consider proposed committee resolutions requesting funds for operating expenses for 1991

and 1992, and other pending legislative and administrative business.

SR-301

10:00 a.m.

Finance

To resume hearings on the prospect of free trade negotiations with Mexico.

SD-215

1:30 p.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Selective Service System, the American Battle Monuments Commission, Cemeterial Expenses (Army), the Nuclear Regulatory Commission, and the National Institute of Building Sciences.

SD-138

FEBRUARY 21

9:00 a.m.

Governmental Affairs

Oversight of Government Management Subcommittee

To hold oversight hearings to review the Procurement Integrity Act.

SD-342

FEBRUARY 26

9:30 a.m.

Veterans Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review legislative recommendations of the Disabled Americans Veterans.

345 Cannon Building

10:00 a.m.

Environment and Public Works

To hold hearings on the President's proposed budget request for fiscal year 1992 for the Federal-aid highway program and related transportation issues.

SD-406

FEBRUARY 27

9:00 a.m.

Veterans Affairs

To hold hearings on the President's proposed budget request for fiscal year 1992 for Veterans programs.

SR-418

FEBRUARY 28

9:30 a.m.

Veterans Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Paralyzed Veterans of America, the Blinded Veterans Association, the Vietnam Veterans of America, Military Order of the Purple Heart, and the Non-commissioned Officers Association.

345 Cannon Building

MARCH 1

10:00 a.m.

Appropriations

Agriculture and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Agriculture, focusing on the Agricultural Research Service, the Cooperative State Research Service, and the Extension Service.

SD-138

MARCH 5

9:30 a.m.

Veterans Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Veterans of Foreign Wars.

345 Cannon Building

10:00 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for the Department of Labor, focusing on the Office of the Secretary of Labor, and the Office of Inspector General.

SD-192

2:00 p.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for the Department of Health and Human Services, focusing on the Office of Civil Rights and Policy Research.

SD-192

MARCH 6

1:30 p.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Federal Emergency Management Agency.

SD-138

MARCH 7

9:30 a.m.

Environment and Public Works

To hold hearings on the President's proposed budget request for fiscal year 1992 for the Environmental Protection Agency.

SD-406

10:00 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Health and Human Services, focusing on the Family Support Administration, Human Development Services, and the Office of Inspector General.

SD-192

2:00 p.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Health and Human Services, focusing on the Social Security Administration, and the Health Care Financing Administration.

SD-192

MARCH 8

10:00 a.m.

Appropriations

Agriculture and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Agriculture, focusing on the Agricultural Stabilization and Conservation Service, the Foreign Agricultural Service, General Sales Manager, and the Soil Conservation Service.

SD-138

MARCH 12

10:00 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Health and Human Services, focusing on the Office of the Assistant Secretary for Health, the Agency for Health Care Policy and Research, and the Centers for Disease Control.

SD-192

2:00 p.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Health and Human Services, focusing on the Alcohol Drug Abuse and Mental Health Administration, and the Health Resources and Services Administration.

SD-192

MARCH 13

1:30 p.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Council on Environmental Quality, and the Environmental Protection Agency.

SD-138

MARCH 14

10:00 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Health and Human Services, focusing on the National Institutes of Health, the Office of Director, Buildings and Facilities, the National Cancer Institute, Heart, Lung and Blood Institute, the National Dental Institute, Allergy and Infectious Diseases, Diabetes, Digestive, and Kidney, Child Health and Human Development, Environmental Health, and the Fogarty International Center.

SD-192

1:30 p.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Health and Human Services, focusing on the National Institutes of Health, the Neurology Institute, the Deafness Institute, General Medical Sciences, the National Eye Institute, the National Institute on Aging, Arthritis Musculoskeletal and Skin, Division of Research Resources, Nursing Research, Human Genome, and the National Library of Medicine.

SD-192

MARCH 15

10:00 a.m.

Appropriations

Agriculture and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Agriculture, focusing on

the Animal and Plant Health Inspection Service, the Food Safety and Inspection Service, and the Agricultural Marketing Service.

SD-138

MARCH 19

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Education, focusing on the Office of the Secretary of Education and Special Institutions.

SD-192

MARCH 20

9:30 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Federal Deposit Insurance Corporation, the Resolution Trust Corporation, Office of Inspector General, and the National Credit Union Administration.

SD-116

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Education, focusing on the Offices of the Assistant Secretaries of Education, and the Office of Inspector General.

SD-192

MARCH 21

10:00 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for ACTION, National Council on Disability, the Federal Mediation and Conciliation Service, the National Mediation Board, the Railroad Retirement Board, the Federal Mine Safety and Health Review Commission, the National Labor Relations Board, and the Occupational Safety and Health Review Commission.

SD-192

2:00 p.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Physician Payment Review Commission, the Corporation for Public Broadcasting, the National Commission on Libraries, the U.S. Institute of Peace, the National Commission on AIDS, the Prospective Payment Assessment Commission, the National Commission to Prevent Infant Mortality, and the Soldiers' and Airmen's Home.

SD-192

MARCH 22

10:00 a.m.

Appropriations

Agriculture and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Agriculture, focusing on the Food and Nutrition Service, and

the Human Nutrition Information Service.

SD-138

APRIL 10

10:00 a.m.

Appropriations

Agriculture and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Agriculture, focusing on the Farmers Home Administration, the Federal Crop Insurance Corporation, and the Rural Electrification Administration.

SD-138

1:30 p.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Inter-agency Council on the Homeless, and the Department of Housing and Urban Development.

SD-124

APRIL 16

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-192

APRIL 17

9:00 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the AMVETS, the American Ex-Prisoners of War, the Jewish War Veterans, and the Veterans of World War I.
345 Cannon Building

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-192

1:30 p.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the United States Court of Veterans Affairs, and the Department of Veterans' Affairs.

SD-138

APRIL 18

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-192

APRIL 19

10:00 a.m.

Appropriations

Agriculture and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Agriculture, focusing on the Commodity Futures Trading Commission, the Food and Drug Administration, the Farm Credit Administration, and the Farm Credit System Assistance Board.

SD-138

APRIL 23

9:30 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings to examine the science education programs of various Federal agencies.

SD-138

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-1902

APRIL 24

9:30 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Office of Science and Technology Policy, and the National Science Foundation.

SD-124

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-192

APRIL 25

9:30 a.m.

Appropriations

Labor, Health and Human Services, Education Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Departments of Labor, Health and Human Services, Education, and related agencies.

SD-192

APRIL 26

10:00 a.m.

Appropriations

Agriculture and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Department of Agriculture.

SD-138

MAY 8

9:30 a.m.

Appropriations

VA, HUD, and Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1992 for the Na-

