SENATE—*Friday, November 1, 1991*

(Legislative day of Tuesday, October 29, 1991)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut.

PRAYER

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

Let us pray:

Behold, how good and how pleasant it is for brethren to dwell together in unity!—Psalm 133:1.

Almighty God, Creator and Sustainer, we are grateful and proud of our country with its unprecedented unity in diversity. Out of many we are one. We are grateful and proud of our political system for which there was no model when conceived by our Founders, but has become a model for the world. We thank You for a two-party system and the nature of those parties which represent the diversity, and we recall the often-heated debate during the Constitutional Convention out of which the U.S. Senate became the living model of the Union of the States.

Eternal God, perfect in love and peace, help the Senate to find a way to demonstrate the unity which it was intended to model. Like a great symphony—100 instruments, 100 scores, making beautiful music—help the Senate find a way to demonstrate its incredible power potential without sacrificing the power of each Senator or violating the differences in the two-party system upon which our Government is built.

In the name of the Prince of Peace. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, November 1, 1991.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

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

RESERVATION OF LEADERSHIP TIME

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

NATIONAL ENERGY SECURITY ACT

MOTION TO PROCEED

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of the motion to proceed to S. 1220, the energy bill. The time between now and 10 a.m. is equally divided and controlled between the Senator from Louisiana [Mr. JOHNSTON] and the Senator from Montana [Mr. BAUCUS].

The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, I yield myself 3 minutes.

Mr. President, we are back this morning on our favorite subject, which is the consideration of comprehensive national energy policy.

Mr. President, it is my hope that we can find a way to at least let this Senate focus on what is a very vital and important subject, which is national energy policy.

In order to do that, of course, we must first invoke cloture on the motion to take up. Otherwise, we cannot explore any way of dealing with this. I have been racking my brain to find out what might be the ways that would satisfy the opponents of this measure to let us at least consider the other parts of the bill other than drilling in the Arctic National Wildlife Refuge, which I know to be very controversial.

I have wondered, for example, if I offered a substitute amendment that did not include ANWR and CAFE, so that would be the pending business, and that if that amendment were adopted it would exclude the ability to consider ANWR, whether that would be suitable, keeping in mind that then to add ANWR it would take a majority vote.

There are various things we could consider here as ways to look at comprehensive energy policy. I am willing to explore those, Mr. President. I hope the opponents are. They say they want to consider national energy policy. They say they consider it to be a problem for the Nation. I take them at their word.

If they are sincere in that, then surely they should be willing to at least tell me what it is they wish as a means of proceeding, give us some formula by which we can pursue national energy policy. I do not think that is too much to ask—something other than just saying defeat this bill and we will think of something. We will go back in a backroom somewhere and come out with some magic formula that is going to please everyone and do away with the controversy.

Mr. President, there is controversy throughout energy policy; even the energy efficiency proposals are highly controversial because they make people do that which they would not otherwise be required to do.

So, Mr. President, I hope we can go into not only debate this morning, but if we do invoke cloture then we can go into consideration of national energy policy from a standpoint of seeking a solution and finding a formula to consider this most important subject.

The ACTING PRESIDENT pro tempore. Who yields time? The Senator from Montana.

Mr. BAUCUS. Mr. President, I think we ought to yield to whoever wants to next speak.

I yield 5 minutes to the Senator from Tennessee.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee [Mr. GORE].

Mr. GORE. Mr. President, there is, indeed, in the words of the old cliche, nothing as powerful as an idea whose time has come. But, as a corollary, we all know there is nothing as tragic as pursuing an idea whose time has passed. The idea that we can solve the energy crisis by simply producing more oil is an idea I think whose time has passed.

I oppose the pending motion because it is based on the idea that we can become more energy independent by drilling for and using more oil. We are on a futile search for an energy source that we cannot seem to give up. This Nation needs an energy policy and not a drilling policy. We need a plan for more efficiency, not for more consumption. We need a plan that enhances our environment, not exploits our environment, does not exploit our environment.

Geography does not lie. Seventy to eighty percent of the world's oil reserves are in the Middle East. Drilling in the Arctic National Wildlife Refuge, which is one of our Nation's most beautiful, most pristine wilderness areas, will not change that fact or make us less dependent on that oil.

So long as we are behaving as if we are almost addicted to oil, we remain hostage to the politics and polemics of the Nations in the Middle East that have most of the oil.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

There are those who argue that the war against Iraq somehow justifies proceeding to this bill to save Americans from fighting for oil in the future. I do not agree with bringing up the bill under the smokescreen of the burning wells in Kuwait.

If you look at all of the oil wells on fire in Kuwait and remember all of the smoke that clouded the skies of that whole region, that represents less than 1 percent of the total amount of pollution and CO_2 that we are putting into the atmosphere worldwide every single day.

The fact is we have to change from a policy of accelerated consumption toward one based on more efficiency and alternative sources of energy.

We did not send troops to the Middle East to justify drilling a modest supply of oil in the Arctic Refuge. We did not send troops to the Middle East to support a policy of more consumption at home. This Senator voted to authorize the use of force in the Middle East to protect millions of people from the oppression of a brutal dictator, Saddam Hussein, and I will continue to advocate freedom for the people still under his oppressive regime. Let us not confuse the fight for democracy with the fight for energy independence.

Having studied S. 1220 thoroughly, it is clear to me that, if implemented, this bill will lead us on a path that jeopardizes our security, stifles our economic vitality, and is environmentally disastrous.

The organizing principle of the bill is that we can produce our way to energy security, that we can just keep drilling empty holes looking for oil and sooner or later we will be secure. What is the justification? Can we, in fact, meet our energy needs by increasing domestic production? The answer is no. Will we find more oil? We probably will if we take that course. Will it make much difference in the overall picture? No, it will not. It will simply delay our task of coming to grips with the underlying problem.

It is almost as if someone addicted to alcohol or drugs is confronted by his friends and sits down and takes a long, hard look at his problem. And then finally the light bulb comes on, and he decides the real problem is he just cannot get enough of it. Well, that is not the real problem. The fact is we have to change our basic attitudes toward consuming more and more and more energy every single year.

We have to come to grips, as well, with some fundamental geological facts. That is that our domestic oil reserves have peaked out, and they are now on the decline. Can we reverse that trend? The answer is no. It has been said before, but it is still true: You cannot draw blood from a stone.

The supporters of the bill say that we can—if we would just open up areas that are currently off bounds to drilling. But President Bush made that same argument in his national energy strategy proposal, and the very documents he supplied in support of the proposal showed that the argument was unsound.

Experts at the Department of Energy estimated how much additional oil we could extract from areas like the Arctic National Wildlife Reserve and the Outer Continental Shelf, and concluded that the possibilities were very small. In fact, the strategy would lead us down a path of ever-increasing reliance on imported oil.

Stepping up efforts to wrest still more oil from the wells we have already tapped is also suggested as a solution. But, again, the argument is fanciful. The bottom line is that, if our economy remains tied to fossil fuel production and use, our security remains hostage to volatile politics abroad.

And what of our economic security? Do we have an alternative but to find—and consume—our national resources in order to fuel our economy? Indeed we do, and in fact, our economic viability depends on willingness to chart a new course.

We have faced these questions before. The current energy debate echoes the debates of the early 1970's. Until the 1970's, most people believed that economic growth demanded more and more energy consumption. But then we discovered that economic growth can occur without additional energy consumption. U.S. energy consumption in 1986 was about the same as it was in 1973, while the economy grew by about 40 percent in real terms. Even the strongest advocates of conservation were stunned by the gains made in energy efficiency. By replacing energy use with new technologies and smart management, we exposed the fallacy behind the supposed link between energy consumption and economic growth.

We learned to save energy and build our economy. The two are not mutually exclusive. We learned that by experience.

We cannot afford to fall prey to that false link again. After our successes of the seventies and early eighties, our energy use trends are again climbing. The consequence? Our ability to compete in the world marketplace is quickly slipping away. If we don't chart a different course now, we sacrifice, rather then secure our economic well-being.

And Mr. President, our environmental security is also in the balance if we continue down the path this bill defines. Just last week, we received startling news about the devastating impact our industrial society is having on the global environment. For the first time, NASA scientists determined that, not only are we destroying the ozone layer some 200 percent faster than ever before predicted or measured, but we are experiencing that destruction during the summer months when we are most likely to be outdoors and exposed to the Sun's ultraviolet radiation. This news is ominous for human health; for the vitality of our crops; for the stability of the entire food chain on which all life depends. But the news is also ominous in another, and even more threatening way. Nature is sending us a loud message that the response to our continued pollution of the atmosphere will neither be graceful nor gradual. Rather, dangerous thresholds can indeed be reached, and once we cross these critical points our ability to mitigate or avoid harmful impacts is limited indeed.

But this bill is blind to this stark reality. Our inefficient, fossil fuel-driven economic engine pumps millions of tons of carbon dioxide into the atmosphere every year. The United States alone is responsible for some 23 percent of global carbon dioxide emissions, and atmospheric concentrations of CO_2 are now well beyond concentrations measured at any time over the last 160,000 years. The message from the ozone scientists is that we cannot ignore the increasing pressures we are putting on the planet. But, rather than steer us away from this crazy course, S. 1220 accelerates the pattern. Still more fossil fuels will be burned; still more of our natural resources will be sacrificed if this is the energy course we chart.

I therefore urge my colleagues to vote against cloture on the motion to proceed to this bill. Let us begin developing an energy policy that can ensure our security; our economy; and our environment. The time has come to pursue the idea of energy independence through conservation, efficiency, and the development and commercialization of renewable energy resources. The time has passed to pursue the drill and spill philosophy displayed in this bill.

Let me just say in response to the suggestions that were made earlier—I am sure my colleagues from Montana will address this—we could take up the Arctic measure separately, and CAFE, and then deal with the debate about the energy bill. Then I think that would be the best way to proceed.

So I wanted to respond to that question from the distinguished chairman of the committee.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. BAUCUS. I yield 10 minutes to the Senator from Ohio.

Mr. METZENBAUM. I thank my colleague.

Mr. President, this bill has a title that sounds good, but with provisions which are so very bad. This bill draws its energy from drilling the fragile Arctic Wildlife Refuge and jump starting the nuclear energy without regard to safety. It is ironic that we began this

debate on October 31, Halloween, a time when children dress up in fantastic costumes and pretend to be something they are not.

This bill pretends to be the last chance for an energy policy. No way is that the case. This bill, which purports to be a new policy, to lead us in a new direction, returns to the failed policies of the past that we have been discussing over the years, favoring big oil and the nuclear lobbies, leading us to more oil dependency and high-level radioactive nuclear waste.

This bill masquerades as a balanced, comprehensive way to energy security, but it is neither balanced nor comprehensive, and it is unlikely to buy us much security. How much energy security will we get from another 200 days of oil supply? Yes; that is right. If there is oil, the best estimates predict a total of 200 days' supply. That is what the optimists think we might get from drilling the Arctic National Wildlife Refuge.

It is trick-or-treat time. The tricks are being played on consumers, and the treats are there in ample supply for big oil, nuclear interests, natural gas pipelines, and other special energy interests.

Let me point out a disappearing trick. Consumer refund provisions for natural gas consumers that were in the bill in February vanished without a trace, and the consumers are left holding the bag for refunds to which they are entitled.

The Johnston-Wallop bill originally contained a provision for the consumers of natural gas. It would have given the consumers the right to get their money back—not somebody else's—when they have been overcharged. This consumer protection was removed in markup. "Forget the consumer" is the motto of this bill.

Last April, the Department of Energy reported that the loudest single message they heard at a dozen public hearings held over an 18-month period was to increase energy efficiency in every section of the economy. Energy efficiency was seen as a way to reduce pollution, reduce dependence on imports, and reduce the cost of energy. But S. 1220 fails to emphasize efficiency, conservation, and development of renewable and alternative energy resources. It misses a historic opportunity to set our energy policy on a new path.

This bill is loaded up with treats for special interests and some window dressing for efficiency and renewable. S. 1220 is just not a good starting point from which to fashion a true, balanced energy policy. While there are many reasons why we need an energy policy, this bill is worse than no policy at all.

The Johnston-Wallop bill looks too much like the Bush energy strategy, which looks like business as usual. It is positively bold in opening the Arctic to drilling and in reviving the nuclear industry with research money and one-stop licensing. But it is meek and mild when it comes to fuel efficiency and conservation. Instead of standard goals, it offers guidelines and wishful thinking.

This bill's priorities are all wrong. A prime example is the ANWR in Alaska. Twelve days ago, the Senate Environment Committee voted overwhelmingly by a 3 to 1 margin—the vote was 12 to 4—to preserve the Arctic coastal plain as wilderness. But the centerpiece of this bill is oil drilling in the Arctic. The oil people have wanted that for years, and this bill gives it to them.

It is unrealistic to try to produce our way to energy security with oil. It just cannot possibly be done. If oil company optimists are right, and that is a big if—there is no reason to trust their optimism, but if—the Arctic at best may hold up to 3 billion barrels of oil. Three billion barrels of oil would only be four-tenths of 1 percent of the proven oil reserves in the Middle East, a drop in the bucket.

How much safer will we be with another four-tenths of 1 percent of proven oil reserves? At best, we might produce 300,000 barrels a day for 30 years from the Arctic. Frankly, that is not very much.

Mr. President, with increased fuel economy standards, we can save 2½ million barrels of oil each and every day, 18 times the optimistic 300,000 barrels a day that might be produced from ANWR.

This bill continues the Reagan-Bush laissez-faire policy of deregulation. It deregulates natural gas pipeline construction and gas sales. What an absurdity. Without any consumer protection or environmental protection, it is a giveaway to the natural gas companies.

It permits deregulation of new hydroelectric dams and two thirds of the existing hydroelectric dams in the United States without adequate environmental protection. It deregulates electric generation without adequate consumer safeguards or transmission access.

We need more protection for the consumer and more protection for the environment, not less.

S. 1220 does not guarantee more energy supply or energy security. It does guarantee more regulatory neglect. Do we really need more of the deregulation of the Reagan years? I think not.

This bill's policy, like the Bush strategy, seeks to increase our reliance on nuclear power, but it eliminates public input, cuts down the licensing review process, and it ignores the waste disposal problem. This policy, like the Bush strategy, ducks some of the tough conservation and efficiency improvements. It misses a major opportunity to reduce oil consumption by increasing automobile efficiency standards. It calls for a study, not the reality of actual standards.

Instead of establishing real efficiency standards for cars, it bucks the job to the Bush Energy Department and the Department of Transportation. A lot of good that will do. A lot of confidence we can have in those Departments.

In the coming weeks and months, I am prepared to work with my colleagues to enact an energy policy that is more balanced, more comprehensive, and one that will lead us to a cleaner, safer future, not just lead us to the next crisis.

Mr. President, there are some who say that somehow the CAFE standards—that is the standards regulating the number of miles per gallon that a car is to get and that our manufacturers are to produce—is somehow tied to the ANWR aspects of the bill.

This Senator finds no relationship on those two issues at all. One has to do with what we should be doing with respect to conservation of energy; the other has to do with the drilling for oil in the Arctic National Wildlife Refuge. There is no connection between the two, no tie-in. Those who suggest that if one provision drops out, they both have to drop out, I do not buy that.

Second, let me say that, today, we will have a vote on whether or not we should proceed to the consideration of this bill. I do not know what the final count will be on that vote, but even if there should be cloture invoked and we move to the bill, let me say loudly and clearly that is not the end of the battle. That is only the beginning of the battle. Because many Senators in this body will say, "Let us go ahead and discuss it, but we are not prepared to vote for the bill in its final form." The battle will be a long one, a tough one, and it will require probably additional cloture votes after we get on the bill, if we do that.

I say we ought to take this bill down, we ought to defeat the cloture motion and go back to the drawing board, and make this a bill that is more balanced and more fair to the American consumer, and take away some of the special privileges we are giving to the oil companies, the nuclear industry, and the natural gas industry.

I yield the floor.

Mr. JOHNSTON. Mr. President, I yield myself 1 minute.

We are continually told that this bill does nothing for energy efficiency, conservation, or alternative fuels. Interestingly, I had a debate with a member of the World Watch Institute before the USA Today editorial board not too long ago who repeated that same shibboleth. I asked him, "What is it that is not in this bill that you would suggest?" He thought for a long time and gave me three things, all of which were in this bill. That is typical, Mr. President.

The fact of the matter is that, out of a total of 130 pages, over one-quarter of

this bill is dedicated to conservation and renewable titles. Senator WIRTH, who was the architect of those proposals, stated that they are excellent provisions. I have letters of support from the National Association of State Energy Officials, the National Community Action Foundation, the National Association of Regulatory Utility Commissioners, and many, many more.

I yield myself an additional 30 seconds, Mr. President.

We are told that the Department estimates 3 billion barrels of oil as the top amount. The fact of the matter is that the mean estimate of the Department of the Interior was 3.6 billion barrels. The top estimate was 9.2 billion barrels. The report prepared by the American Association of Petroleum Geologists says to least 15 billion barrels may be recoverable, and perhaps as many as 30 billion barrels. No one knows. We ought to find out for this country.

I yield 5 minutes to the distinguished Senator from Wyoming.

Mr. WALLOP. Mr. President, we are also told that you cannot solve the energy crisis by producing more oil. Well, the other side of that coin, Mr. President, is you cannot solve the energy crisis without producing something. These silver-bullet-syndrome heroes that believe that somehow or another there is one provision that can provide for 100 percent of America's energy needs are simply living in a dream world, or they dissemble. However efficient as this Nation is, we will still have to use some oil, and far into the next century—at least the first quarter of it.

Given, Mr. President, the balance of payments that is mortgaging the future of Americans, why would these folks who oppose it want to line the pockets of an Arab sheik with silver, who employs no people, who pays no taxes, and whose interest specifically is in denying the United States and the industrial world the revenues to invest in the research that will relieve this dependence?

I hear those on the other side of this argument talking, namely, about energy independence. The one realistic thing about this bill is that it does not promise what cannot now be achieved, but it certainly relieves the threat to our dependence; it certainly balances the use of energy in America in ways in which it is not now; it certainly tries, in ways that are more efficient, to get us into the use of natural gas, I say to the Senator from Ohio, to generate, in a competitive way, for the first time, the electricity needs of this country.

We have the Arctic plain heroes, who have never been there, make the argument that drilling less than one-half of 1 percent of that place is somehow or another going to destroy the whole of America. Mr. President, let me say that there is no country in the world so stupid as to deny itself the use of its own resource, thereby creating its dependency, thereby adding to its balance of payments deficit, thereby mortgaging the future of its children.

Mr. President, these folks apparently do not mind that, last year, 65 percent of our deficit in foreign trade was spent on energy, imported oil—no taxes, no jobs for Americans, no R&D resource, as we use the moneys from ANWR.

It is just a question now, Mr. President, as to whether America is mature enough to look at all of its resources, its technological resources, energy resources, and its other means of resolving its problems; or if we still have to bicker in backroom politics, as they have suggested, that we go into a room and not debate it on the floor, that we go someplace and solve these things with a group of four and some staff, instead of in the public arena, the way which the American Founding Fathers designed to solve problems. Oh, no, they will deny us the chance to debate, if they have the chance to succeed.

My guess is that the American people are fed up with the idea of using America's hard-earned dollars to line the pockets of people overseas. My guess is that this country is fed up with darkroom, backroom politics. My guess is that there will be hell to pay in politics if this country does not address a balanced energy strategy, which includes not only conservation, but production; which includes not only conservation and production, but an advanced program of R&D into the technological future, which will be America's exports, if they only allow us to get there in the future. It will be the taxes that are paid on the resources of Americans that fund this R&D, which will provide American technology to every advancing country in the world. Oh, no, they would rather pay this money to Arabs, rather pay it to Venezuelans, rather pay it to Far Easterners, and deny ourselves the revenues, jobs, and the country that can look itself in the eye and say, "We use what we have."

I thank the chairman.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. BAUCUS. Mr. President, I inquire how much time is remaining on this side.

The ACTING PRESIDENT pro tempore. The Senator from Montana has 14 minutes, the Senator from Louisiana has 18 minutes, 44 seconds.

Mr. BAUCUS. I yield 3 minutes to the Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I thank the Senator from Montana and I will be very brief because I think what we are discussing here far misses the mark.

Mr. President, I rise today to express my opposition to S. 1220, the National Energy Security Act. This bill serves us more of the gluttonous menu of environmentally destructive energy development programs we now employ when we need to go on an energy diet and develop cleaner, nonpetroleum-based fuels. It continues our existing misplaced energy priorities and it misses important energy conservation opportunities.

Mr. President, we often hear talk about the energy crisis. But the United States does not have a shortage of energy. Rather, we are too dependent on petroleum-based liquid fuels and too reliant on foreign oil—a reliance which adversely affects our national security and our balance of trade. Too much of the world's oil is under the control of Mideast countries—37 percent of the world market and 24 percent of U.S. imports. And U.S. oil imports are too high—around 50 percent of our oil use or roughly 8.5 billion barrels per year.

Energy use has another important dimension, its effect on our environment. Some sources of energy cause significant, adverse environmental impacts—on local, regional, and global scales. Of particular concern is the release of carbon dioxide which contributes to global warming.

In 1988, then candidate George Bush promised to address the greenhouse problem by using the White House effect.

But this White House effect has turned out to be nothing but more hot air to heat up our Earth. The President's national energy strategy actually contemplates a 25-percent increase in carbon dioxide emissions over the next 25 years.

The administration's carbon dioxide position stands in stark contrast to the policies of the rest of the industrialized world. Eighteen industrialized nations already have committed to stabilizing or reducing carbon dioxide emissions by the year 2000.

And this past summer, the British Prime Minister Major wrote the White House criticizing the United States position on global warming and urging the United States to join Britain in setting limits on carbon dioxide.

So the self-proclaimed environmental President stands alone in failing to act to reduce carbon dioxide emissions.

These policies are particularly embarrassing because the United States emits a disproportionate amount of the world's carbon dioxide, about 20 percent of the world's CO_2 emissions.

The United States emits 5 tons of carbon dioxide per person while the West German rate is 3 tons and Japan is 2 tons per person. So we should be taking a leadership role in reducing carbon dioxide emissions.

The heart of our energy policy should be energy conservation. The United States has an enormous potential to conserve energy. With less than 5 percent of the world's population, and about 2.5 percent of the world's oil reserves, the United States uses 25 percent of the world's energy output.

If the United States used energy as efficiently as Japan, we could lower our national fuel bill by $200 billion every year. Per capita energy use in the United States is more than double that of Japan, France, and Italy and close to double that of the United Kingdom and West Germany. We must tap into our energy conservation potential.

Where is the leadership from the White House on energy conservation? You can read the national energy strategy and go blind looking for new programs to tap into this vast potential.

The President gives short shrift to energy conservation, short shrift to increasing automobile fuel efficiency. Instead, the President, and S. 1200, proposes environmentally damaging energy production like oil development in ANWR.

Mr. President, after the *Exxon Valdez* spill 2 years ago, I visited the spill, the industrial complex at Prudhoe Bay and the coastal plain of ANWR.

What I saw was the best of nature and the worst of man.

I saw the best of nature in the Arctic Refuge, an area which even the Department of the Interior says, "is the only conservation system unit that protects, in an undisturbed condition, a complete spectrum of the Arctic ecosystems in North America." An area which biologist George Schaller calls "unique and irreplaceable, not just on a national basis, but also on an international basis."

Beauty, wilderness, pristine—these words simply fail to capture what I saw, and what is at stake if we allow oil and gas drilling to proceed.

Unfortunately, in seeing the spill in Prince William Sound, I saw the worst of man. I saw how carelessness despoiled a rich ecosystem: dead wildlife, oil-coated beaches.

This devastation by man stands in stark contrast to the beauty of nature I saw.

And I saw a huge industrial complex at Prudhoe Bay. I felt like I was at the end of the Earth from a wilderness area looking at this complex.

And that's what's at stake as we consider S. 1220. Do we want to preserve that unique beauty of nature? Or do we want to create an industrial complex of drill sites, waste pits, roads, airports, marine facilities, solid waste dumps, sewage treatment plants, pipelines, spills, and pollution?

A complex that according to the Department of the Interior's own report would affect 12,650 acres of this unique wilderness area.

Do we want to develop the ANWR, to keep feeding our fossil fuel appetite, or do we want to conserve fuel resources, develop alternative sources of energy and preserve our pristine lands?

If we drill for oil in ANWR, we may find oil for a few years, but ANWR will never be wilderness again.

If we develop ANWR we threaten this unique wilderness system. And if we destroy the wilderness values in ANWR, we also threaten an undisturbed ecosystem with its polar bears, musk oxen, and porcupine caribou.

And if we destroy our own wilderness areas, what credibility will we have in telling other countries to preserve their forests, wetlands, and biological diversity?

Mr. President, we must not allow oil exploration and development in ANWR.

So, in establishing energy policy, we must reduce our reliance on unstable sources of oil and stimulate sources of energy which minimize environmental impacts. We need a four-pronged approach to address our energy crisis—energy conservation, renewable energy, alternative fuels, and enhanced recovery of oil from existing oil fields.

Mr. President, S. 1220 fails to establish the policy we need. So I will be voting against invoking cloture.

In the days ahead, I plan to provide more detailed views about the type of energy policy we need to adopt.

I yield the floor.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I yield 4 minutes to the Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair.

Mr. President, I cannot help but think that many of my colleagues who are speaking against this proposal to bring the energy bill before this body are really running interference for America's extreme environment community that clearly does not want an energy bill.

I find it rather curious that my colleagues from Colorado and Montana are not at all interested in working to make this a better bill. They only want to kill it because it has ANWR in it. I wonder what they are afraid of, because they are talking about killing jobs in this country, killing the largest single identifiable project for jobs, approximately 735,000 jobs in 47 States. They are talking about killing a contribution to the gross national product of this country of $550 billion. These are jobs in 47 States. They are talking about increasing imports, doubling imports from the Mideast by the year 2000 to 2010. They are talking about the lifestyle of the native people of my State that have observed oil development in Prudhoe Bay done in a responsible manner.

I heard one Senator comment on his view of Prudhoe Bay. They remind me of flying over a State. Let me tell you ANWR is 19 million acres. Prudhoe Bay is but a very, very small part of it. And make no mistake about it, anybody in this body can criticize the Prudhoe Bay development but it is the finest oil field in the world, bar none.

We can do a better job if we are lucky enough to find oil in ANWR. We talk about a 200-day supply. That would be the third largest field ever found in the United States if there is oil there.

No one knows, Mr. President, it may be a 600-day supply, which would supply this Nation with 25 percent of its total crude oil which it has been doing for the last 15 years.

You call that insignificant? Well, it is not. It is an affront to my State. We have been a State for 32 years. We are trying to establish a responsible economic development scenario. We are late coming in. We are all by ourselves, us and Hawaii. You have already established your economy. You have established your resource development. And what you are threatening to do to Alaska is putting up a big sign that says "Keep out." The American environmental community is committed to 100 million acres of wilderness in my State of Alaska. They have 56 million acres now.

Mr. President, what does this mean if ANWR is not in the bill? The funding mechanism for the energy bill is ANWR. ANWR is supposed to provide funds for alternative fuel, funds for energy efficiency, funds for electric cars, funds for solar energy, funds for hydropower, electric power, research, development, clean coal technology. It will not be there if we take ANWR out of the bill, and that is what everybody wants.

The Senator from Alaska wants to reduce our dependence on imported oil, but this is how we do it. It is a sound bill.

Mr. President, I urge my colleagues to invoke cloture. And I conclude by the question that many of us are going to have to answer, and it is kind of a "trick or treat" the day after Halloween, when we vote on whether to invoke cloture on the motion to proceed to consideration of the bill: Shall we trick the American people and deny them the energy strategy this Nation so desperately requires, or shall we treat them to a responsible Congress by putting petty squabbling aside and working toward the national good? I thank the Chair and I thank my colleagues.

The ACTING PRESIDENT pro tempore. Who yields time?

The Senator from Montana.

Mr. BAUCUS. Mr. President, I yield 3 minutes to the distinguished Senator from Minnesota.

Mr. WELLSTONE. Mr. President, this leaves little time for debate. Let me say to the Senators from Wyoming and Alaska that this energy bill is a nonenergy bill. That is the problem. It does not deal with our persistent dependence on imported energy. It does not deal with the greatest threat to the environment, global warming.

If we are concerned about energy dependency, then we save oil. And there are not provisions to do that in this bill. People around this country were

at public hearings. They said they wanted to focus on conservation and renewables. What they have instead in this piece of legislation is drilling for oil in the Arctic National Wildlife Refuge, building more nuclear powerplants, generating more nuclear waste, $11 billion debt forgiveness for the nuclear industry.

Do Senators want to vote for that? Could Senators want to vote for that?

This piece of legislation, S. 1220, is not balanced. In the 1980's it was a lost decade for energy policy in this country. If we pass this legislation it will be a lost decade in the 1990's, and we will have missed an important chance to do well for our children and our grandchildren.

This is not comprehensive energy policy, except if you mean by comprehensive, there is something in this bill for every oil company.

The Senator from Wyoming said the people in this country are getting fed up. Well, I think they are getting fed up with the way we finance campaigns; they are getting fed up with the way we conduct campaigns; they are getting fed up with this mix of money and politics here in Washington.

I do not know that this vote is a referendum on the energy bill. I think it is a referendum on whether or not the U.S. Senate belongs to the vast majority of people who want an energy policy respectful of their community and environments, or whether or not the United States belongs to oil companies. That is what the vote on this bill is all about.

I yield my time.

Mr. JOHNSTON. I yield myself 1 minute.

Mr. President, really I do not think we are well served by that rhetoric which says that we do nothing for energy efficiency. Now the Senator from Minnesota, when he began his speech yesterday, came out with a proposal from an energy efficiency group which included a number of things, every one of which were either in this bill or involved the jurisdiction of the Finance Committee and taxes. If he wants taxes let him propose them. If he wants energy efficiency, let him support this bill because that is what this bill does.

Mr. WELLSTONE. Will the Senator yield?

Mr. JOHNSTON. As far as this forgiveness of the so-called debt to the nuclear companies, that is part of legislation that has been passed by this Senate six times, six times. There is no debt. That is a fiction. And to say this is a giveaway bill to the nuclear industry, well, Senators voted for it six times, and it is right and there is no debt and this bill does not do that.

Mr. WELLSTONE. Will the Senator yield?

Mr. JOHNSTON. Yes, I yield.

Mr. WELLSTONE. We went through this debate yesterday about the question of efficient use standards. You mentioned soft path energy. That goes back to a famous article written by Amory Lovins on energy policy. He pointed out that we could save the equivalent of 42 ANWR's if we were serious about efficient energy use starting in the transportation sector.

Do you not agree with Amory Lovins that we need to do much more than what is in the bill when it comes to energy savings in transportation, which is the most wasteful sector?

Mr. JOHNSTON. I proposed an amendment to have tougher CAFE standards in the committee and lost. And I am prepared to offer it here on the floor if I am given a chance to bring it up. Senator BRYAN will be able to bring up his numbers. I think they are too high, but the Senate can work its will. But how can you even consider CAFE if you cannot get the bill up on the floor? That is the point.

Mr. WELLSTONE. One final question for the Senator if I could ask: Is there not a provision that deals with loan forgiveness of the nuclear industry in this bill?

Mr. JOHNSTON. No.

Mr. WELLSTONE. There is not?

Mr. JOHNSTON. There is not.

Mr. WELLSTONE. I would like Senators to read this bill before we vote on it.

Mr. JOHNSTON. The Senator has made a statement there is such a provision. I would like him to point to it. He made the statement. The bill is before the Senate. Point toward that provision.

Mr. WELLSTONE. I will get the bill and we will go over that.

Mr, President, the Senator from Louisiana asked that I point out the exact provisions of S. 1220 which write off some $11 billion in debt owed the American taxpayers by the nuclear power industry.

As the Senator from Louisiana knows, section 161(v) of the Atomic Energy Act of 1954, as amended, requires DOE to recover its full costs from commercial customers for providing uranium enrichment services.

I ask that the attached section of a January 29, 1986, Federal Register notice be included in the RECORD following these remarks. This document demonstrates that the Department of Energy concluded that there was some $7.552 billion in unrecovered costs from its provision of enrichment services. According to the General Accounting Office, these unrecovered costs total over $11 billion with interest. Notably, I understand the GAO testified to this point as recently as last week, when GAO officials appeared before the House Interior and Insular Affairs Committee.

Now, to return to S. 1220. The bill writes off this debt through two provisions. Under section 10102, it repeals the full cost recovery requirement of the Atomic Energy Act. Then, under section 10103, it adds to the act a new title which specifies under section 1506(d)—page 128 of the committee report—that the outstanding debt to be repaid would be some $364 million. The committee report discusses the issue of unrecovered costs and the GAO's $11 billion estimate on pages 309 and 310 where it explains the intent of this new language.

In addition to the various reports of the General Accounting Office and the committee's own report it is my understanding from discussions with legal counsel for the National Taxpayers Union that these provisions, combined, effectively write off the debt owed the American public by the nuclear power industry.

In order to make all of the details of this situation clear to my colleagues, I ask unanimous consent that a briefing paper by the National Taxpayers Union Foundation, dated September 1990, be included in the RECORD following these remarks.

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

[From the Federal Register, Jan. 29, 1986]

"Recovery of Prior Government Costs." DOE is committed to the recovery of appropriate Government costs over a reasonable period of time. To assist in the attainment of this objective, the proposed criteria set forth in section 762.6 a mechanism for the recovery of prior Government costs. This mechanism would establish reserves sufficient to return to the U.S. Treasury, over a reasonable period of time, previously unrecouped and unrecovered costs associated with the provision of enrichment services to civilian customers.

Under this mechanism, DOE proposes to repay the U.S. Treasury, over a reasonable period of time, $3,457 million of the $7,522 million in prior unrecovered Government costs remaining as of September 30, 1985. The reduction of $4,065 million in the amount to be recovered is the equivalent of writing off plant capacity that will not be used in current or future enrichment operations. Interest will be added to the amount to the recovered by applying to the average annual outstanding balance an interest rate of 6.310 percent, the weighted average of Treasury interest rates applicable in the years in which net increases in Government costs occurred.

Repayments to the Treasury will be made annually. From fiscal years 1987–1991, the amount of the annual repayment is expected to be a $150 million minimum plus a percentage of gross commercial revenues—eight percent in 1987 and eleven percent thereafter. Beyond fiscal year 1991, the annual repayment is expected to be the $150 million minimum plus half the savings from projected decreases in TVA demand charges for electricity.

[National Taxpayers Union Foundation, September 1990]

STOPPING A BUDGET MELTDOWN: REORGANIZING THE FEDERAL URANIUM ENRICHMENT PROGRAM

(By Charles Montange)

PREFACE

The federal uranium enrichment enterprise is an enormous commercial operation—the largest uranium enrichment business in the

world, controlling billions of dollars in nuclear fuel contracts, and serving the vast majority of U.S. nuclear utilities as well as many foreign utility customers. But the enterprise is in deep trouble. Although legally required to recover its costs, unrecovered costs now exceed $10 billion. The government has adopted a contract that contains unlawful features precluding cost recovery.

Billions of dollars in additional costs are expected. The Department of Energy (DOE), the agency administering the program, has not accumulated any funds to pay for environmental clean-up and decommissioning liabilities. Estimates for these liabilities begin at $4 to $6 billion and range upward. DOE's domestic customers, who insisted on the policies that have led to the $10 billion in unrecovered costs, threaten to purchase nuclear fuel from foreign suppliers unless U.S. taxpayers bail out the entire program.

The Senate Energy and Natural Resources Committee at least six times in the past four years has reported legislation, or sponsored amendments to unrelated bills, to place these liabilities on taxpayers and to provide additional bail-outs demanded by the utility industry. Further, the Committee-supported legislation would reorganize the federal enrichment enterprise to relieve DOE of its obligation to protect the interest of U.S. taxpayers in the future.

The House of Representatives has rejected each of the Senate's proposals. To stimulate House action, DOE commissioned a $2.5 million "independent analysis" by an industry consulting firm, Smith Barney, Harris Upham & Co. Although the Smith Barney report ostensibly provides information to clarify the public debate on the issues, the report was initially withheld from the public. DOE released only a three-page "Executive Summary," parroting in conclusory fashion much of the DOE's failed policies. It offered neither new ideas nor plausible solutions to relieve taxpayers of the continued burden of unnecessarily subsidizing the DOE uranium enrichment program. After considerable delay, the agency released a "sanitized" version of the Smith Barney report. Data understood to undercut DOE's conclusions was omitted from the publicly released version of DOE's report. In the fashion of a red herring, the secret report has been used only as a purported foundation for misleading leaks, like the recent erroneous suggestion in the Washington Post that the enterprise made a "profit" in 1989.*

There are many alternatives to the DOE/utility industry bail-out proposals. Taxpayers need not be, and should not be, subsidizing nuclear fuel for nuclear utilities. The only ingredients needed to pursue these alternatives are political backbone and will, for all non-bail out solutions are opposed by powerful special interests seeking further and unwarranted taxpayer subsidies.

The DOE enrichment program has been gravely mismanaged, leading to heavier and heavier liabilities for U.S. taxpayers. Reform of the program is clearly needed. But institutionalizing taxpayer losses does not constitute "reform." Reform requires either (a) enforcement of the full cost recovery requirement of existing law, or (b) directing the program to maximize profits from the sale of enrichment services, coupled with freeing it from the constraints that currently preclude it from doing so.

Taxpayer losses from this program are real and mounting daily. Genuine reform is urgently needed. Unless something is done, taxpayers will be left holding the bag for all unrecovered costs and for all decommissioning liabilities, notwithstanding clear requirements of existing law to the contrary. Moreover, all the remaining assets of the program will have been dissipated.

Tracking the Department of Energy's Unrecovered Costs and "Write-Off's"

October 1, 1982. The "government investment" was $6.557 billion. (DOE 1983 Report.)

September 30, 1983. The investment stood at $6.936 billion. (DOE 1983 Report.)

October 1, 1983. The investment was given as $6.103 billion. (DOE 1984 Report.) According to the 1984 Report, $900 million in cash and unpaid obligations was removed from "government vestment."

April 1, 1984. DOE moved $1.2 billion to a "Reserve for Unrecoverable Capital Cost," and ceased recovering depreciation or imputed interest on this amount. (DOE 1984 Report.) This left $5.469 billion in "government investment" on which DOE purported to recover depreciation and imputed interest as of Sept. 30, 1984. (DOE 1984 Report.)

September 30, 1985. DOE "wrote-off" as "loss on capital investment" $2.589 billion for the Gas Centrifuge Enrichment Project and $1.2 billion for the gaseous diffusion plants, as well as $0.303 billion of imputed interest on same, for a total write-off of $4.092 billion. This reduced, unlawfully, the "government investment" from $7.486 billion to $3.394 billion. (DOE 1985 Report.)

January 29, 1986. DOE represented that it intended to "repay the Treasury, over a reasonable period of time, $3,457 million of the $7,522 million in prior unrecovered costs remaining as of September 30, 1985." 51 Fed. Reg. 3629 (Jan. 29, 1986).

April 7, 1987. Unrecovered DOE costs (government investment) were at least $8.8 billion. Statement of Keith Fultz (GAO), before the Energy & Power Subcomm. of the House Energy and Commerce Comm., released April 8, 1987.

September 30, 1988. The government investment stood at $9.6 billion. Statement of K. Fultz (GAO), in Hearings before the Energy Research and Dev. Subcomm. of the House Science, Space & Tech. Comm., 101st Cong., 1st Sess., at p. 40 (1989). Due to imputed interest, the investment is now greater than $10 billion.

January, 1989. DOE proposed an enrichment budget predicated on the adoption of legislation removing any obligation to repay the Treasury for "government investment," i.e., essentially a complete "write-off." That appears to be DOE's current position.

Senator WENDELL FORD: "Which strategy most nearly approaches the one that the [Department of Energy] is now pursuing [with respect to its uranium enrichment business]?"

Booz, Allen & Hamilton, consultants: "The current approach . . . is a milk the business approach in that investments are not being made to develop the low cost approach or technology in the future. It is an interesting combination, actually, of that plus not maximizing the price but reducing the price. So it is sort of a poorly executed harvest strategy . . . the enterprise would hold prices up while not investing and maximize returns to the Treasury. What [the Department of Energy] is doing is reducing prices to hold customers, but not offering the customers long-term viable business. So they are both reducing the value of the enterprise and they are not investing in the future.[1]

I. THE FEDERAL URANIUM ENRICHMENT PROGRAM: A CASE STUDY IN MISMANAGEMENT

The federal government, doing business as the Department of Energy (DOE), owns and, through a contractor,[2] operates the only American facilities capable of enriching uranium for use in civilian nuclear reactors.

The DOE uranium enrichment business has been a financial disaster. The General Accounting Office (GAO) has calculated that during the 1980's the DOE enrichment enterprise accumulated approximately $10 billion in "unrecovered costs" associated with supplying uranium enrichment services to foreign and domestic electrical utilities.[3] Also, according to DOE and GAO figures, the total cost to bring the three existing DOE enrichment facilities into compliance with applicable environmental laws exceeds $2 billion,[4] and the cost to decommission the three facilities[5] (one of which[6] has already been permanently shut down) may exceed $4 billion.[7] DOE's consultants, Smith Barney, have indicated that the DOE estimates may well be low by an order of magnitude—that is, environmental remedial action and decommissioning expenses may exceed $20 billion. The "sanitized" version of the Smith Barney Report states that "the ultimate liability on the environmental side is likely to be a number far larger than anyone has officially acknowledged to date."[8] DOE has failed to accumulate any reserves to pay for these enormous liabilities.[9]

In short, the tragic truth is that total value of these "unrecovered costs" and unfunded liabilities is at least $16 billion and "likely . . . a number far larger." A $16 billion figure thus represents a conservative (i.e., probably low) estimate of the amount of taxpayer subsidy thus far provided for a program that by law was (and still is) supposed to recover all of its costs and not operate with taxpayer subsidies.[10]

While DOE's foreign-government-owned competitors, Eurodif and Urenco, were charging $170 to $190 per "SWU" (the unit measuring enrichment services), DOE developed and in 1984, with its customers, signed a "utility services enrichment contract" ("USEC"). Under the USEC, DOE dropped its price to a level now averaging well below $120/SWU. DOE also guaranteed a low maximum ceiling price for ten years. At the new DOE price level, or at the somewhat higher guaranteed ceiling price, the agency cannot recover its costs. Thus it cannot accumulate adequate reserves to cover environmental and decommissioning costs, nor undertake appropriate investment programs. As experts from Booz, Allen & Hamilton declared in congressional testimony in 1987, the agency was following a "poorly executed harvest strategy" that neither made money for the Treasury, nor fostered a viable enterprise for the future.[11] Another way to state the Booz, Allen & Hamilton conclusion is that DOE is simply running the enrichment program into the ground at taxpayer expense.

In a subsequent legal opinion, GAO determined the guaranteed prices to be unlawful under the full cost recovery requirement imposed by law.[12] GAO has observed that DOE's 1984 contract accordingly violated the requirement that the agency recover its costs.[13] In order to support its unlawfully low prices, the agency purported to "write-off" (ignore) several billion dollars in investments it had made in a new plant and in various upgrades for the benefit of civilian uranium enrichment customers.[14] If an agency is lawfully required to recover costs, it cannot avoid that requirement merely by declaring that it is ignoring those costs. In

*Energy Department Negotiates for Cheaper Soviet Uranium, Post, June 16, 1990, p. A4.

[1] footnotes at end of article.

sum, DOE not only has failed to collect roughly $16 billion in unrecovered costs and accrued liabilities, but also, according to GAO, has failed to act in accordance with law.

Large losses continue

The domestic uranium enrichment program has been a major loser. It has been operated in neither a lawful nor business-like fashion. The losses have been enormous and the hemorrhage continues. Roughly a half billion to a billion dollars are being lost each year. This loss represents a continued and growing taxpayer subsidy.

Although faced with too much capacity, even after the shut down of the Oak Ridge plant, the agency is being lobbied by government contractors, domestic utility customers and the communities harboring the three existing enrichment plants to build another new enrichment plant based on so-called AVLIS (atomic vapor laser isotopic separation) technology.[15] DOE's prior venture in constructing additional capacity in the face of little market demand, the GCEP (Gas Centrifuge Enrichment Project) facility at Portsmouth, was a total disaster. DOE belatedly cancelled that boondoggle only after accruing almost $3 billion in losses for taxpayers. Estimated costs for AVLIS, a technology not yet tested on a commercial scale, are comparable to or greater than the marginal costs of operating the current gaseous diffusion plants.[16] No private interests have stepped forward to share, much less bear, the risks associated with this new "son-of-GCEP."[17]

Restructuring the program to halt the growing loss to taxpayers, to recover decommissioning costs, and to wean the program from its current unmitigated dependence on taxpayer subsidies is vital. The program should have been restructured years ago.

"But such mistakes are not new; history is full of the errors of states and princes."[18]

II. HOW FEDERAL URANIUM ENRICHMENT POLICY COLLAPSED

A. Some basics

There are two significant isotopes of uranium in nature: U235 and U238. U235 is much more readily fissionable, but it comprises only about 0.8 percent of natural uranium. The U235 content of a given batch of uranium must be increased, or "enriched," to the level of 2 to 4 percent for use in commercial nuclear reactors. Several technologies currently exist for purposes of enriching uranium. The initial technology, gaseous diffusion ("GD"), involves pumping uranium hexafluoride (UF6) gas through innumerable porous membranes. This technology requires large plants and significant quantities of electrical energy. A more recent technology, the gas centrifuge, involves spinning UF6 at very high speeds in a centrifuge, and uses less electrical energy. A new and currently commercially unproven technology relies on atomic vapor laser isotopic separation (AVLIS). However enriched uranium is produced, it is sold in units called "SWU's," which is short for "separative work units."

B. A brief history of the Federal program

The U.S. government emerged from WWII owning the only uranium enrichment facilities in the world: the three GD plants at Oak Ridge (Tennessee), Paducah (Kentucky) and Portsmouth (Ohio). At that time, private ownership of "enriched" uranium was unlawful.[19]

Wishing to encourage expansion of reliance on nuclear-generated electricity, Congress in 1964 adopted the Private Ownership Act. That statute among other things amended the Atomic Energy Act of 1954 to permit private ownership of enriched uranium.[20] Although Congress provided for private ownership of nuclear fuel, the legislation envisioned continued federal ownership of the three uranium enrichment plants. The new law provided that the owner of the plants, then the Atomic Energy Commission (AEC), would enrich uranium for civilian customers for a fee. This concept was known as "toll enrichment."

The key statutory language governing the provision of enrichment services was contained in section 161v. of the Atomic Energy Act of 1954, 42 U.S.C. §2201v. This language called for recovery of the costs of providing uranium enrichment services. More specifically, the statute currently requires that "any prices established under this subsection shall be on the basis of recovery of the Government's costs over a reasonable period of time."

The Atomic Energy Commission, with the approval of the powerful Joint Committee on Atomic Energy of the U.S. Congress,[21] provided that the cost recovery requirement applied to both direct and indirect costs, including depreciation and a return on investment. Under the "Conway Formula," worked out with the Joint Committee, non-government customers were required to pick up all depreciation costs when private toll enrichment began absorbing 75 percent of the capacity of the enrichment plants.[22] That point was reached in 1976.[23] When the Atomic Energy Commission appeared to diverge from this basic approach, Congress amended section 161v. in order to confirm an opinion by the General Accounting Office[24] that the statute required the federal government to price uranium enrichment services so as to secure full cost recovery.[25]

Forecasting a dramatic increase in the demand for electricity and the use of nuclear power, the Atomic Energy Commission and its successors, the Energy Research and Development Administration (ERDA) and subsequently DOE, pursued a number of policies that have profoundly affected today's nuclear fuel market. AEC and its successors adopted a major program to expand uranium enrichment capacity. This included two major elements: (1) the "CIP/CUP" (Cascade Improvement Project/Cascade Upgrade Project) upgrade of the three existing GD enrichment plants at a cost in excess of $1 billion, and (2) the development and, until 1984, construction of a gas centrifuge enrichment plant (GCEP), at a cost exceeding $2 billion.

All this construction was undertaken with the support of the nuclear utility industry, and at its behest. Spokesmen for the utility industry argued strenuously for expansion of enrichment capacity, asserting that the risks of not having adequate enrichment capacity exceeded the risks of having surplus capacity. For example, in 1974, the major utility trade association, Edison Electric Institute (EEI), urged more federal investment in enrichment capacity, testifying that "the economic penalties that would be imposed by a shortfall of enrichment capability far exceed the costs that would be associated with temporary oversupply."[26]

When GAO warned against incurring the high costs and risks of building new enrichment plants in the face of uncertain demand, it was harshly criticized by spokesmen for the nuclear utility industry for raising these doubts.[27] In their testimony supporting the $10 billion federal centrifuge program in 1978 against GAO objections, the nuclear utilities testified that "the need to proceed rapidly with the planned . . . plant is urgent and cannot be overemphasized."[28] Ironically, the same industry and its spokesmen now harshly criticize GAO for suggesting, in effect, that the utilities who urged the costly policies at issue here now bear more of the costs which their policies provoked, rather than seek to place all those costs on the taxpayer.[29] The nuclear utility industry continued to support the construction program until the centrifuge was canceled in favor of development of a supposedly even more promising technology, AVLIS.[30] All the costly construction sought by the utility industry is now unneeded capacity.

The AEC also required its toll enrichment customers to obtain "long-term fixed commitment" (LTFC) contracts. The LTFC contracts obligated utility customers to purchase specific quantities of uranium enrichment services whether those services were required or not. This tended to insulate the federal uranium enrichment program in the short term from swings in demand for enrichment services. It also risked creating a glut of enriched uranium if growth in demand did not materialize. Moreover, partly because the federal government did not wish to be responsible for assuring adequacy of enrichment capacity for foreign customers, and partly to encourage the creation of non-federal sources of enrichment, the government declared a moratorium on new contracts. This encouraged the development of competing enrichment facilities by two European government consortia. The two competitors were Eurodif, dominated by France and operating with GD technology, and Urenco, comprised of West Germany, Britain, and the Netherlands, and operating with gas centrifuge technology. The policy of encouraging the development of foreign competitors also carried risks if forecast demand increases proved overly optimistic.

The original forecast of an explosion in demand for enrichment services in fact was excruciatingly wrong. Demand for electricity did not expand as forecasted and the proportion of electrical energy supplied by nuclear facilities did not grow as predicted. Rather than the projected 1,000 new reactors in the U.S. by the turn of the century, the number instead will be approximately 100. A number of factors contributed to this dramatic shortfall in demand, including construction delays and the adverse reaction to the accident at Three Mile Island. In any event, there was a total cessation of orders for new domestic reactors after 1978, and a flood of cancellations for reactors on order.

Many utilities, which were locked into LFTC contracts, accumulated large inventories of nuclear fuel, both in the form of enriched uranium and in the form of natural uranium concentrates. These excess inventories tended to be dumped in the so-called "secondary market," depressing "spot market" prices for both uranium and enrichment services.[31] DOE's foreign competitors also offered limited quantities of surplus production on the U.S. market at prices below those on their home market, leading to further downward pressure on spot market prices.

After desultory efforts to modify the LFTC contracts, DOE in early 1984 resorted to a major overhaul of its program. Unfortunately, the overhaul, while benefiting nuclear utilities with lower prices, wreaked havoc with the enrichment program's financial structure. Additionally, the overhaul disregarded legal requirements embodied in section 161v. of the Atomic Energy Act to protect taxpayer interests.

DOE's 1984 overhaul of its program focused on three major initiatives. First, DOE can-

celled the GCEP project after almost $3 billion in costs had been accrued. The agency permanently suspended recovery of those new wasted costs from its customers. As GAO subsequently determined, this unilateral "write-off" was contrary to the full cost recovery requirement embodied in section 161v. of the Atomic Energy Act. As a corollary to the cancellation of GCEP, DOE determined to pursue development of the new AVLIS enrichment technology instead.

Second, DOE engaged in a related series of cost-cutting moves. The agency permanently shut down its Oak Ridge gaseous diffusion plant, and drastically curtailed operations at its other enrichment plants in preference for selling enrichment services out of inventory. In addition, DOE ultimately entered into a settlement (costing over $1 billion) of "take or pay" electricity contracts with Tennessee Valley Authority. Some of these cost-cutting actions involved significant taxpayer subsidies. For example, rather than operate its plants, DOE sold fuel from its stockpile at its average acquisition price.[32] That price was a fraction of the actual market price.[33] DOE "booked" this "fire-sale" of taxpayer assets as a savings, and purported to pass the savings on to its customers in the form of reduced prices. In fact, the savings was simply a below-market price sale and thus a taxpayer subsidy.

Third, DOE issued a new uranium enrichment contract, known as the "utility services enrichment contract" ("USEC"). LTFC contract holders were permitted to shift into the USEC without penalty. The USEC guaranteed a maximum ceiling price, required that only 70 percent of enrichment requirements be purchased from DOE, loosened cancellation provisions, and provided other benefits for DOE customers. DOE also cut its enrichment prices. Under the USEC, the guaranteed ceiling price has been as low as $119.10.[34] The actual price for each customer depends upon the discount negotiated for customers who obtain 100 percent of their requirements from DOE rather than the minimum of 70 percent. The actual average contract price has been less than $109.[35] This price level does not permit recovery of DOE's costs of providing uranium enrichment services, unless, of course, enormous "write-off's" for plant and equipment are permitted. Moreover, this price level excludes any funding for the enormous decommissioning expenses associated with the three existing enrichment plants. If such "write-off's" are taken, and if no funds are collected for decommissioning expenses, then taxpayers in effect are massively subsidizing the DOE uranium enrichment program.[36]

The problem can also be examined on a per unit basis. In response to questions asked by House Interior Committee Chairman Udall, GAO indicated that DOE's cost per SWU were about $131 in fiscal 1986, but the agency's average base price was $119. The base price was thus $12 lower than average production costs. GAO noted that these cost figures did not take into account depreciation or reasonable return on government investment by DOE. If the latter costs were taken into account, per unit costs would be $172.[37] DOE was thus losing $43 ($172–$119) on each SWU sold at base price. Actual losses were higher for 100 percent customers, because the average price for such customers was less than the base price. Sales of 10,000,000 SWU per year yields an annual taxpayer loss (or taxpayer subsidy for the industry) of at least $430,000,000 per year. This loss is continuing and probably accelerating. A recent account in the Washington Post[38] suggests DOE achieved a substantial profit in 1989. This suggestion ignores unlawful DOE "write-off's" and is based on a menage of other "creative accounting" techniques.

C. DOE as a rogue agency: More on the unlawfulness of the USEC

When DOE issued the USEC, it also overlooked a variety of other legal requirements. Procedurally, section 161v. obligated DOE to provide enrichment services only in accordance with written "criteria," or rules.[39] The USEC contained features, such as guaranteed ceiling prices, that GAO found violated the then-extant criteria.[40] Additionally, the USEC is a rule itself. It is generally applicable, and as a generally applicable action, meets the definition for rules in the Administrative Procedure Act, 5 U.S.C. §551, et seq. In general, federal rules and regulations may only be adopted after notice and an opportunity for public comment, absent an exemption. There is no exemption from notice and comment rulemaking requirements applicable to the USEC. DOE nonetheless issued the contract without any compliance with notice and comment rulemaking procedures.[41]

Substantively, the new contract overlooked two key aspects of section 161v.: the full cost recovery requirement and the so-called "uranium industry viability proviso." DOE's substantive slip-up with respect to the uranium industry viability proviso spawned a significant intra-industry squabble that has a bearing on the full cost recovery requirement. That prolonged dispute, which lasted from 1984 until the U.S.-Canada Free Trade Compact was adopted in 1988, merits some examination.

Until the adoption of the Free Trade Compact, section 161v. required the federal government to withhold enrichment services from foreign-source uranium destined for domestic end use to the extent necessary to "assure the maintenance of a viable domestic uranium industry." The domestic uranium industry, which was suffering from the same inventory overhang which troubled DOE, viewed the USEC with dismay. First, the USEC allowed unrestricted enrichment of foreign-source uranium for domestic end use. The effect of allowing enrichment of foreign ore for domestic end use was to allow cheap foreign feed material unrestricted entry into the U.S. domestic market (there were, and are, no tariff barriers). Second, the USEC was designed to encourage utilities to employ excess inventory for up to 30 percent of their requirements. The effect of encouraging reliance on inventories of enriched uranium was to decrease demand for natural uranium as an input to enrichment plants.

Caught between inexpensive imports and policies encouraging reliance on inventory, demand for domestic uranium evaporated and prices plunged. U.S. domestic uranium production plummeted from 40 million pounds per year to under 10 million pounds, and employment dropped 90 percent (from 21,951 in 1979 to 2,141 by the end of 1988).[42]

Several smaller companies in the domestic uranium industry sued DOE, calling for invalidation of the USEC on the basis of the procedural and substantive deficiencies indicated above. They also called for limitations on enrichment of foreign-source uranium for domestic use. The United States District Court for Colorado eventually issued a summary judgment declaring the USEC illegal for failure to comply with the criteria/rulemaking requirement, especially as related to requirements for full cost recovery.[43] The district court subsequently issued another summary judgment requiring DOE to limit foreign-source uranium for domestic end use.[44]

DOE, in an effort to patch up an otherwise untenable legal position, quickly proposed[45] and, after considerable comment, adopted[46] revised uranium enrichment criteria. The new criteria purportedly ratified the illegal USEC and ostensibly vested broad discretion in the agency to do whatever it wished with regard to cost recovery. DOE also appealed the adverse rulings by the district court to the U.S. Court of Appeals for the Tenth Circuit. The Tenth Circuit vacated the judgment invalidating the USEC on the procedural ground that the uranium companies had not demonstrated "standing to sue."[47] DOE, however, was unsuccessful in its efforts to persuade the U.S. Court of Appeals to uphold the contract on the theory that the rulemaking had cured all deficiencies. The court observed that DOE's rulemaking efforts would not insulate the contract if the rules themselves violated section 161v.[48] GAO has issued a letter indicating that the new DOE rules in fact violate section 161v.[49]

The Tenth Circuit affirmed the lower court's judgment in favor of enrichment limitations.[50] DOE took another appeal to the Supreme Court. The high court vacated the judgment requiring enrichment limitations on the ground that the uranium companies had not demonstrated (they had not attempted to demonstrate) that the limitations would do any substantial good.[51] Before this issue could be tried, Congress adopted the U.S.-Canada Free Trade Compact. The Compact effectively repealed the "uranium industry viability" proviso in section 161v. of the Atomic Energy Act with regard to uranium from Canada.[52] The method of this repeal was to treat Canadian ore as equivalent to U.S. ore, and thus to permit unlimited importation of Canadian material. Since the bulk of uranium imports into the U.S. are from Canada,[53] enrichment limitations directed solely at non-Canadian foreign uranium would be ineffective. The uranium industry voluntarily dismissed its litigation.[54]

This episode suggests that if a group with standing sued DOE in order to enforce the full cost recovery requirement of section 161v. of the Atomic Energy Act, it would quite likely obtain, as elements of the domestic uranium industry did, a judgment declaring the basic tenets of DOE's enrichment program unlawful. This raises the question why no one has brought such a suit. The answer is simple. Cost recovery is inherently a taxpayer issue. No special interest group is interested in enforcing it. Unfortunately, the Supreme Court is widely regarded as having limited the standing of taxpayers for proposes of suing the U.S. government to the very limited context of enforcing constitutional guarantees of separation of church and state, absent a specific statutory provision conferring standing.[55] Because there is no express statutory provision authorizing taxpayer standing to sue with respect to section 161v., the DOE enrichment program has become a captive of special interests (i.e., its customers and contractors), and the cost recovery requirement has been flagrantly breached.

What to do About the USEC

The General Accounting Office repeatedly has indicated that the Uranium Services Enrichment Contract (USEC) contains provisions which are *ultra vires* under section 161v. of the Atomic Energy Act. "[W]hen an agent of the government enters a contract that does not satisfy statutory or regulatory conditions, the courts cannot bind the government to the contract." *Augusta Aviation, Inc.* v. *United States*, 671 F.2d 445, 449 (11th Cir. 1982). *See also Schweiker* v. *Hansen*, 450 U.S.

785, 788 (1981); *Federal Crop Ins. Corp.* v. *Merrill*, 332 U.S. 380, 386 (1947).

To date, all the Senate Energy Committee bailout proposals either directly "ratify" the illegal USEC, or indirectly ratify it by repealing the full cost recovery requirement of section 161v. of the Atomic Energy Act. So long as this approach is taken, any legislation dealing with enrichment will constitute a bail-out at taxpayer expense.

There are alternatives. For example, Congress could require DOE to renegotiate the contracts to provide full cost recovery. Alternatively, Congress or DOE could impose a surcharge on enrichment adequate to secure full cost recovery. As a minimum, Congress could confer standing on taxpayers to sue to enforce the full cost recovery provisions in section 161v. of the Atomic Energy Act.

D. The DOE program burns while Congress fiddles

As outlined above, much has happened since the advent of the USEC in 1984. However, the events recounted have masked a languishing program. For the past six years, DOE has failed to recover costs as required by section 161v. Those unrecovered costs can now be conservatively estimated at a minimum of $10 billion. DOE also has failed to collect a dime for decommissioning the three uranium enrichment plants. One of these plants, at Oak Ridge, has already been shut down. According to DOE documents, environmental remedial action and decommissioning costs at the three plants could total $4 billion to $6 billion.[56] Smith Barney, Harris Upham & Co., the consultants retained by DOE to "independently analyze" the federal program, have publicly indicated that the actual costs will likely be far greater.

Illegal Prices Lose $4 Billion Since 1984

DOE's pricing strategy not only has failed to respond to its costs and liabilities but also has taken a rather bizarre approach to its competitors. DOE has acknowledged that its competitors are charging prices of approximately $170 to $190 in their domestic markets,[57] but is nonetheless pricing its product at approximately one-half to two-thirds that level across the board.

For each dollar that DOE cuts its price, it loses approximately $10 million, based on average private sales of 10,000,000 SWU's per year. If DOE matched its foreign competitors' general price level, then the agency would likely have earned approximately $600 million per year in additional funds since 1984. Under this analysis, DOE's pricing strategy has caused total losses to taxpayers, not counting interest, to exceed $4 billion. Perversely, DOE's pricing strategy appears designed to maximize losses rather than profits. It literally is transferring whatever value once existed in the enrichment enterprise to its customers. It is using up—harvesting—the program without any payback to the program's owner, the U.S. taxpayer.

DOE professes that it must cut its prices to meet competition. There are two immediate responses to DOE's superficial claim, First, while the agency may have to reduce prices in the future when its current contracts expire, it only serves to lose money to reduce prices, as DOE has done, for all agency customers under their current long-term contracts. Second, DOE's de facto paramount objective is preserving or even increasing market share. But the objective in a competitive market is not to cut price to prevent any and all losses in market share.[58] Instead, the objective in a competitive market is to maximize profits and the value of the enterprise. This means DOE should charge as much as possible without resulting in so great a loss of customers as to reduce overall revenues in excess of marginal costs.

From a taxpayer standpoint, a competently-managed DOE since 1984 should have charged much more in order to maximize profits instead of pursuing the current approach of enhancing losses. This not only would make more money now, but also would have left the agency in a stronger financial position when its long-term contracts expire and it really does face competition. Maximizing profit only makes good business sense, but at this point is the only strategy consistent with federal law.

Among other things, two factors stand out as indicators that DOE could charge higher prices and "make them stick" to a degree sufficient to make more money. First, utilities will sustain penalties for canceling their enrichment contracts on less than ten years' notice. This permits DOE flexibility to charge more, except for the constraint of the illegal guaranteed maximum ceiling price. Second, and in any event, DOE customers cannot cancel and go elsewhere unless there is somewhere else to go. With the possible exception of the Soviet Union, enrichment capacity elsewhere is limited, and most excess world capacity is controlled by DOE. Even if DOE priced the services very high, there would be limited capacity abroad to service enrichment demand for the next five to six years. After that time, competitors might be able to bring on line additional capacity, if they had sufficient long-term commitments from customers to justify that move. But given this scenario, a strategy to minimize taxpayer losses would be to raise prices now, and to prepare the business to offer substantial price cuts in the future.

Rather than pricing high now when cost recovery is possible, DOE has cut its prices, leaving hundreds of millions of dollars on the table. This in turn has jeopardized the agency's ability to offer price cuts in the future when they in fact may be necessary, unless those cuts are further subsidized by taxpayers. The agency continues to roll up huge future liabilities or decommissioning its existing plants, and in effect is failing to provide anything to the Treasury for depreciation or return on investment in those plants. The entire program is being run on the assumption that the taxpayer investment in the program—the plant, equipment, uranium inventory—is being furnished for free, and that taxpayers will assume virtually all of the costs associated with environmental remedial action and decommissioning the plants.

Experts from Booz, Allen & Hamilton, in testimony before the Senate Energy and Natural Resources Committee in 1987, aptly summed up the current and on-going mismanagement of the program. They noted that the program is being run on the basis of a "sort of . . . poorly executed harvest strategy. . . ." In a well executed harvest strategy, the enterprise would hold prices up while not investing and maximize returns to the Treasury. What [DOE] is doing is reducing prices to hold customers, but not offering the customers a long-term viable business. So they are both reducing the value of the enterprise and they are not investing in the future.[59]

DOE is now reportedly exploring an arrangement with the Soviet Union to import into the United States uranium enriched in the Soviet Union for sale to U.S. facilities and for defense reactor systems, evidently to support a further cut in prices in a continued effort to maintain or to enhance market share.[60] This episode again illustrates the dismal results of DOE's pricing strategy since 1984. The agency has not recovered costs, it has operated on the basis of huge taxpayer subsidies, and it is evidently exploring reliance on Soviet enrichment services in order to cut its prices further. This basic approach, unless checked, means that under current policies, there will be no recovery of taxpayer losses from the federal nuclear fuel program.

"[H]e intends only his own gain [but] he is . . . led by an invisible hand to promote an end which was no part of his intention [i.e., the maximization of the wealth of the Nation]."[61]

III. THREE MODELS FOR RESTRUCTURING THE URANIUM ENRICHMENT PROGRAM

The fundamental objective for the uranium enrichment enterprise should not be to subsidize one or more of the special interests involved in the nuclear fuel industry. Instead, the basic goal should be to maximize the value of the enterprise for its owner, the federal taxpayer. In a free market system such as ours, value is determined by the market price of the enterprise. Currently, there are no buyers for the enterprise, even if it were offered for sale. Given the liability overhang for decommissioning costs, and the constraints posed by the USEC, the enterprise currently has a negative value, not unlike many Savings and Loans. The objective in the near to medium term for any restructuring should be to restore value to the enterprise without huge subsidies and assumptions of liability by taxpayers.

There are three basic models for restructuring the DOE uranium enrichment program in a fashion minimally compatible with taxpayer interests.

The first alternative is simply to get the federal government out of the uranium enrichment business, while maximizing revenues from the enterprise in order to offset the enormous unrecovered costs and decommissioning liabilities which the enterprise has accumulated. This approach, in the terminology of Booz, Allen, would encompass a "well-executed" harvest strategy.

The other two alternatives would involve reorganizing the program either (1) as a kind of utility serving other utilities, or (2) as a profit-maximizing competitive business. Mixing these latter two approaches together is a recipe for financial disaster and wealth destruction, precisely as we are currently experiencing with the federal program. Additionally, if the approach of profit maximization is adopted, some means must be incorporated to assure that this is not simply a subterfuge to impose liability for all or most of past operations on the federal taxpayer.

A. A "well-executed harvest strategy"

The basic assumption employed by the Senate Energy and Natural Resources Committee in framing its bail-out legislation for the uranium enrichment program is that the United States must retain a substantial, ongoing civilian uranium enrichment enterprise to serve U.S. and foreign nuclear utilities. This assumption is encouraged by spokesmen for key nuclear industry lobbying organizations like the Edison Electric Institute (EEI) and the American Nuclear Energy Council (ANEC). Both urge that the United States government retain enrichment capacity to serve civilian nuclear fuel needs. EEI and ANEC qualify that position by insisting that the government-supplied enrichment

services be provided as "competitive" prices. In other words, EEI and ANEC, on behalf of the special interests which they represent, want U.S. taxpayers to bear all downside risks of loss if the federally-provided capacity is not "competitive."

The taxpayer guarantee sought by the nuclear utility industry is precisely the same genre as the taxpayer guarantee of deposits in Savings and Loan Associations. These guarantees allow private businesses to make more money by taking greater risks, while leaving taxpayers to absorb losses for fiscal fiascoes.

Is there any reason, other than the pleas of special interests, for the U.S. to retain a substantial, on-going civilian uranium enrichment enterprise? No. The chief reason advanced for a continued federal government presence is national security. This has two aspects: (a) maintenance of supply capabilities for military purposes and (b) non-dependence on foreign sources of supply for civilian need.

U.S. military needs are limited to approximately 1 million SWU per year for naval reactors, which, unlike civilian reactors, require highly enriched uranium (HEU). HEU needs are met through special circuits at the Portsmouth, Ohio enrichment plant. Obviously the U.S. will retain and operate those circuits even if the government withdraws from the civilian uranium enrichment business. Proponents of a bailout argue that it will be more costly to operate the HEU circuits absent a civilian program. This does not appear to be correct. First, defense enrichment is supposed to bear its own costs, and, according to GAO and DOE estimates, it has largely done so. Second, if there are going to be increased costs, they are effectively inevitable in any event. The same bailout proponents who insist that the civilian enterprise holds down defense-side costs argue for construction of a 9 to 10 million SWU AVLIS plant. Such a plant will not produce any HEU, but it will meet all civilian enrichment needs. This will inevitably lead either to an inefficient operation of the existing Portsmouth and Paducah plants, or to their closure. This means that the HEU cirucuits at Portsmouth either will be operated in conjunction with costly and inefficient civilian operations at Portsmouth, or with no civilian operations. In any event, defense-related costs, if they are going to go up, will go up.

There is also an excellent way to hold down defense costs by safeguarding against any latent inefficiencies caused by getting out of the federal civilian uranium enrichment enterprise. The U.S. could simply operate Portsmouth at high efficiency for a period of time to accumulate a stockpile of several years'—or even a decade's—worth of HEU requirements, then mothball the HEU circuits until they are needed again.

The national security argument as applied to civilian needs is even less convincing. The United States is more heavily dependent upon forms of energy other than nuclear. The government has nevertheless not nationalized the fuel sources for those forms. There is less of a national security reason for a federal presence in the ownership and operation in the nuclear fuel area than for coal, oil or natural gas.

The domestic nuclear utility industry claims that it will only buy "competitively" priced uranium enrichment services, and will thus rely on foreign sources if these sources are cheaper. This suggests that the nuclear utility industry sets a low value on retaining a "secure" federal source of supply, unless the industry does not have to pay anything for it (i.e., taxpayers subsidize it, and guarantee its availability regardless of costs). In any event, there is no evidence that a federal presence is necessary to assure a domestic source of supply. Several utilities are actively exploring construction of a private enrichment plant in Louisiana ("Louisiana Enrichment Services"), that will use foreign technology, be privately financed, and will not require any taxpayers subsidies.[62] This demonstrates that federal involvement is not required to assure the development of domestic sources of uranium enrichment for civilian reactors. Finally, any domestic energy security need could be met by mothballing the existing uranium enrichment plants, thus holding them in reserve.

Once the assumption that the U.S. government must provide civilian uranium enrichment services is recognized as a canard, the next question is what consequences follow. The most obvious solution is for the federal government to get out of the civilian uranium enrichment business. From a pragmatic point of view, any civilian uranium enrichment enterprise run by the federal government will be subject to manipulation by special interest groups. Government contractors will lobby for massive and economically-suspect construction programs like AVLIS. Resistance to these pleas, which are already supported by the communities and congressional delegations of Portsmouth, Oak Ridge, and Paducah (all of which hope to get the new contracts),[63] will be slight, because the U.S. taxpayers will be guaranteeing the enormous downside risks. Nuclear utilities will lobby for price cuts and supply guarantees, just as they have done in the past, with taxpayers again covering the difference between what the federal enterprise charges and its traditionally much higher actual costs. The only way to assuredly break this cycle is for the federal government to get out of the civilian uranium enrichment business.

Since the federal civilian uranium enrichment enterprise has run up enormous "unrecovered costs" and equally enormous unfunded liabilities for decommissioning the existing plants, the only logical way to get out of the business is to cut costs by ceasing all work on development and deployment of new enrichment technologies and to raise the prices charged by the enterprise to the highest levels possible. This strategy would maximize the current value of the federal uranium enrichment enterprise, return the most funds to the Treasury, and best protect the taxpayer from future subsidies and liabilities.

Because the political pressure to retain a federal presence in providing uranium enrichment services is so great, it is pertinent to examine circumstances under which that could be done without burdening taxpayers with astronomical costs and liabilities and enormous downside risks. There are two basic models for reorganizing the enterprise in a fashion that protects taxpayer interests: the utility model and the for-profit corporation model. Both will be discussed in turn.

The Current Value of DOE's Civilian Enterprise

In its supposedly independent analysis of DOE's civilian uranium enrichment program, Smith Barney estimates that the value of the enterprise is approximately $3 billion, if taxpayers assume all liability for future decommissioning costs and the entire $10 billion in "unrecovered costs" is written off.*

Although Smith Barney purports to advocate reorganization of the program as an on-going enterprise in corporate form, Smith Barney does not suggest that such a reorganization will enhance the value of the enterprise. The reason appears to be that the enterprise is hobbled, in Smith Barney's analysis, with the guaranteed maximum ceiling prices embodied in DOE's generic "utility services enrichment contract" (USEC). These prices prevent the enterprise from maximizing profit, regardless of its form. Organizing the enterprise as a corporation without doing something about USEC does not improve the current value of the DOE enterprise. Further, it suggests that, from an economic perspective, a well-executed harvest strategy makes as much money—with less risk—as attempts to maintain the DOE enterprise as an on-going business.

Smith Barney identifies only two actions which might improve the cash value of the federal uranium enrichment enterprise on an "on-going basis. The first action is for the federal enterprise to curtail its domestic operations, import Soviet uranium, and serve as a marketing agent for that uranium. According to Smith Barney, this would enhance the value of the enterprise by roughly $200 million.**

Smith Barney also suggests that investing in AVLIS would also enhance the current value of the enterprise by approximately $200 million. However, this favorable estimate of AVLIS is based on a string of assumptions that are open to question. First, the economic benefit of AVLIS is approximately ten years away and assumes that AVLIS will be a competitive source of production. Ten year forecasts in the nuclear fuel area have been terribly unreliable, especially in terms of projecting profitable federal government investments. Second, the advent of AVLIS will require the shut down of at least one additional existing gaseous diffusion plant, with the maturation of associated environmental remedial action and decommissioning liabilities. These liabilities more than wipe out any additional current value associated with AVLIS. If the best case for AVLIS is a mere $200 million enhancement to current value, it hardly seems worth the very great risks.

Another conclusion is obvious from the Smith Barney estimates. If the current value of the DOE enterprise, whether reorganized or not, is only $3 billion, then it is impossible for the enterprise to recover the civilian share of the totally unfunded liabilities for decommissioning, much less any of the taxpayer investment in the assets of the enterprise. Smith Barney has suggested that total decommissioning liabilities may equal or exceed $20 billion. The civilian share, based on the proportion of SWUs produced for civilian purposes to total SWUs, is almost exactly 50 percent, or about $10 billion. The net shortfall, if the enterprise is only worth $3 billion, is approximately $7 billion.

If Congress intends to avoid foisting all decommissioning liabilities on taxpayers, the Smith Barney report thus indicates that some sort of fee will have to be assessed against former, current and future DOE uranium enrichment customers.

B. The utility model

1. Some Background on Pricing by Utilities

The original federal enrichment program was conceived as a kind of utility serving other utilities. At the time of the adoption

*The analysis in this section is based in part upon conversations with congressional staff who have reviewed the non-public version of the Smith Barney Report.

**This action would be compatible with a well-executed harvest strategy.

of the Private Ownership Act in 1964, the federal enrichment program was the western world's monopoly supplier of enrichment services. Because of the heavy investment required to enter the market, as well as technological and security requirements, the federal program not only was a de facto monopoly, but also appeared to be a kind of natural monopoly.[64]

Investment decisionmaking and price setting of monopoly utilities are usually subject to government regulation. Ordinarily, regulated monopolists are limited to cost recovery, including depreciation, and a reasonable return on investment. Indeed, "nothing in public utility controls is more conventional, more securely established in regulatory methods, than the idea of a 'reasonable return on the value of a firm's existing plant.'"[65] For ease of expression, we will refer to this approach to pricing as the "regulated utility model."

Not surprisingly, the pricing regime for the federal program basically followed the "regulated utility model." Under section 161v. of the Atomic Energy Act, the program was to charge rates sufficient to recapture all its costs, including depreciation and a return on investment.

Regulation limiting a utility to recapture of cost plus a reasonable return on investment obviously limits the profit which a utility can derive from serving its market. In order to attract capital into a business whose upside gain is limited by public utility regulation, the investors are ensured against downside risk of loss. The ordinary assurance is that they will get a reasonable return on investment regardless. This is generally accomplished by requiring utility customers to purchase services from the utility at a price adequate to cover costs. This assurance appears to have been contemplated for the federal uranium enrichment program. In the event that "competition" from foreign government-owned enrichment facilities developed which would stress this structure, the Atomic Energy Commission indicated that it would adopt appropriate restrictions, either by regulation or by license conditions imposed on domestic nuclear utilities, to maintain the government's monopoly in the domestic market, and thus to assure a financially sound program.[66] In confirmation, representatives of the nuclear utility industry testified that they would pick up the costs of investment in enrichment plant and equipment, and urged that such investments be made notwithstanding the risk that the plant would not be needed.[67]

2. The Loss of the Appearance of Monopoly Power

Spurred by the moratorium on new enrichment contracts proclaimed by the federal government in the 1980's, foreign governments have emerged as potential sources of enrichment supply. This brings into question the necessity of applying the "regulated utility model" to the federal uranium enrichment program. If the federal uranium enrichment program is no longer inherently a monopoly, then it no longer needs to be subject to the "regulated utility model" unless there are important political reasons to continue the enterprise as a monopoly.

The chief political reason currently being advanced for continued treatment of DOE as some sort of monopolist, or at least for preventing the DOE enterprise from behaving as a profit-maximizing business, is "national security." In particular, some policymakers, including legislators and spokesmen for some DOE enrichment customers, frequently express concern about the uncertainties of relying upon foreign sources of enrichment for a variety of "energy security" or "national security" reasons. This concern is strongly echoed in the Smith Barney "Executive Summary," which speaks of assuring "a reliable and economic domestic source of enrichment services for commercial and military applications" on "national security" grounds.[68]

As already indicated, the entire "national security" argument for subsidizing DOE uranium enrichment capacity is hardly compelling. Some additional points are worthy of attention here. According to the June 16, 1990, issue of the Washington Post, DOE is actively negotiating with the Soviet Union to import Soviet-enriched uranium for U.S. utilities and for U.S. Navy reactors.[69] Interest in out-sourcing to the Soviet Union on the part of proponents of the national security argument is not compatible with insisting that federal operations be heavily subsidized on national security grounds. Even if there was no interest in Soviet supplies, the national security argument is internally contradictory and otherwise contrived. Both the federal government and the nuclear utility industry have permitted the domestic uranium industry to collapse, in preference for U.S. reliance on foreign sources of uranium. The government and the domestic utility industry have shrugged off the uranium industry's claims of national security importance. If U.S. "security" needs are insufficiently compelling to require steps to prevent the loss of domestic self-reliance for uranium, it is contradictory to claim "security" needs dictate self-reliance for enrichment, especially through a federal program.[70]

If DOE's domestic customers felt that a domestic enrichment program was critical, then they could either buy out the DOE program and privatize it, or at least stop threatening to turn to alternative suppliers unless taxpayer subsidies are continued for the existing program. The utility industry, which should be in a good position to judge energy security needs, professes an unwillingness to pay any "premium" to the federal enrichment program for security purposes, and instead insists on taxpayers underwriting that objective.[71] In essence, taxpayers are being asked to guarantee the nuclear utilities against the risk of loss due to the utilities' own potentially reckless conduct. This sort of federal guarantee is precisely what spawned the enormous Savings and Loan disaster.[72] It should not be repeated here. Guarantee against downside losses, as the utilities, Smith Barney, and others seem to want with the "national security" argument, must be avoided like the plague. They set the government up for loss of taxpayer funds with no commensurate gain. They amount to wealth destruction through special interest subsidization.

If there is a "national security" reason for assuring retention of a substantial enrichment capacity, then U.S. utilities should be required either to buy the program, or to guarantee payment of prices sufficient to assure that all government costs to provide the capacity are covered, whether the capacity is or is not used. If the U.S. is to be self-sufficient in enrichment capacity for energy security reasons, it certainly does not follow that the U.S. taxpayer should pick up the tab. If the federal program must be adequate for self-sufficiency for "energy security" reasons, then its customers should pay for it. Taxpayers should receive a reasonable return on their investment, in accordance with the "regulated utility model." The customers, not the taxpayers, should pay for any "security" guarantee.

In sum, all that accepting the "security" arguments means is that continued organization of the DOE enrichment program as a utility serving other utilities may be appropriate. This suggests application of the "regulated utility model," assuring taxpayers against losses, and not, as proponents of the security argument seem to think, assuring taxpayers of losses. The flip side of a utility's obligation to provide for customer needs is that customers must reimburse the utility for its costs. As applied here, this means that the federal government should require U.S. utilities to purchase enough of their enrichment needs from the federal enrichment utility sufficiently to cover its full costs, including a reasonable return on investment. Failure to do so amounts to a recipe for continued and growing taxpayer subsidization of a mature industry.

Although the "national security" argument is unpersuasive, there is one important political reason for treating DOE's program as a legal monopoly: that reason is to assure full cost recovery. DOE has run up over $10 billion in uncovered costs and liabilities that under section 161v. its customers should have borne. It is unfair for all these costs and liabilities to now be foisted on federal taxpayers. The enrichment entity, operating as a utility with market protection, could charge prices sufficiently high to recover the approximately $10 billion in unrecovered costs to date, as well as to recover sufficient funds to assure decommissioning of its existing plants. This is the only current political (and legal) justification for continued application of the "regulated utility model." Of course, the domestic utility industry is opposed to any recovery of past costs and liabilities, despite the very clear and compelling logic for doing so.

C. Reorganization as a profit-maximizing business

The federal uranium enrichment enterprise also could be organized as a for-profit corporation. Both DOE and the utility industry assert that the market for uranium enrichment services now is highly competitive and no longer a natural monopoly. Under classical economic theory, the most efficient means to allocate resources in a competitive market is by allowing each actor in the market to make the best possible deal and, in the course of doing so, to permit each actor to attempt to maximize its profit. Given the "competitive" nature of the market, an obvious alternative for operation of the federal uranium enrichment enterprise is as a profit-making entity.

There are two preliminary questions with regard to reorganization of the DOE enrichment program as a for-profit enterprise. First, in what form should the program be reconstituted? There are two basic options: (a) some variety of federal agency similar to the current DOE operation or (b) a corporation. The track record for the federal uranium enrichment enterprise as an "agency" is, in a word, miserable. Indeed, the poor history of federal involvement is a primary justification for urging that the U.S. government get out of the civilian uranium enrichment business. This itself suggests the desirability of a corporation form, if the federal government remains in the business. However, calling something a "corporation" is merely a name change. Without more, it does nothing to protect taxpayer interests, and may be a step backward. The "corporation," proposed by the Senate Energy and Natural Resources Committee, is a significant step backward.

In order to be effective, a corporation must have a clear goal—profit maximization—and a strong management centered in a board of directors. A genuine corporation with both attributes offers several advantages for a reformed federal uranium enrichment enterprise.

A corporate form with a fully functioning board can provide ready oversight and centralized policy direction for purposes of profit maximization. This is clearly superior to the oversight provided by Congress and the Executive Branch. Special interests are likely to be extemely energic in attempting to divert Congress and the Executive Branch from allowing any reorganized enrichment enterprise to profit maximize. The more insulated the enterprise is from special interest-driven "oversight" to prevent profit maximization, the better. Additionally, the corporate form is a proven vehicle for business activities.

Should such a corporation be owned by the government or by the private sector? Privatization of government-owned commercial enterprises is preferable because, among other things, it frees these businesses from unwarranted constraints and forced taxpayer subsidies imposed by special interest lobbying. However, DOE's Smith Barney consultants suggest that a buyer cannot be found for the DOE enrichment enterprise on terms that did not involve the assumption by taxpayers of virtually all liabilities and risks of liabilities associated with the current enterprise. Thus, privatization of the program now would amount to a massive give-away, coupled with a massive liability assumption by taxpayers. In order to privatize in a fashion comparable with taxpayer interests, the program must first be reorganized in order to staunch taxpayer losses and to create some value in the marketplace.[73]

Profitability will depend upon two basic factors: the market and management. For purposes here, the market is given. However, management is obviously a variable. A reorganized uranium enrichment enterprise must be managed to seize opportunities to profit maximize. In order to be so operated, management must have consistent and unequivocal directions and incentives to maximize profit. Additionally, obstacles to profit maximization must be removed. Finally, management must be accountable for failure.

The corporation must be instructed to maximize profit (or, perhaps more accurately value) for its owners. If this goal is eroded by the imposition of other goals, such as meeting some obscure energy security need,[74] maximizing market share,[75] increasing employment opportunities,[76] or constructing another unneeded enrichment plant,[77] the new corporation will simply serve as another vehicle to provide taxpayer subsidies to some special interest involved in the nuclear fuel business. To repeat, the goal of profit maximization must be clear, paramount and unequivocal in order for a corporate structure to be something other than a farce.

Additionally, management incentives must be adopted to favor profit maximization. Career advancement, and compensation, should be linked to achieving profit goals. Absent such incentives, management would too easily be diverted into simply building corporate fiefdoms, catering to parochial customer interests, or succumbing to political pressure to provide the customary subsidies to special interests.

However, stating that profit maximization is the corporation's goal will do no good if the corporation is saddled with all the baggage arising from DOE's failure for the past decade to operate in accordance with the full cost recovery requirement of section 161v. of the Atomic Energy Act. Even with the best incentives, the USEC as issued by DOE is an obstacle preventing any reorganized enterprise from charging true market prices. That contract guarantees a maximum ceiling price that is below the level needed to recover costs, and is inconsistent with profit or asset value maximization. Furthermore, DOE has failed to recover any funds for the multi-billion dollar costs associated with its massive decommissioning liability. Most likely, it will be impossible for the DOE program to recover these costs unless a significant portion of past enrichment services are recovered from prior customers through appropriate surcharges and user fees. If a reorganized corporation is to behave as a free market profit-maximizer, and not as a fig leaf to "forgive" billions in "unrecovered costs" (tantamount to unlawful taxpayer subsidies), the reorganized enterprise must be carefully structured to take into account DOE's past failure to recover costs and to reserve for future liabilities.

Finally, for any reorganization to work, steps must be taken to assure that management is accountable. The key reason that section 161v. of the Atomic Energy Act did not work to assure cost recovery was lack of accountability by DOE management. Managers of the program are currently not responsible to a board of directors. Congressional oversight is a poor substitute because it is fractured between two Senate and three House authorizing Committees, coupled with the Senate and House appropriations committees. When "control" is so diffuse, it is questionable whether there is any control at all. In any event, congressional "oversight" is much more suited to resolving trade-offs between or for special interests. It is not suitable to assure profit maximization.

Another ingredient necessary to assure profit maximization is an independent enforcement mechanism. Unfortunately, no mechanism equivalent to a shareholders' derivative lawsuit is currently available to hold management accountable to taxpayers. As noted, under Supreme Court decisions, taxpayer standing to sue appears extremely limited, absent a specific congressional authorization. For a reorganized enterprise to flourish, management must be unequivocally subject to control by a board of directors, and explicit provision should be made for enforcing profit-maximization by providing for the equivalent of a shareholders' derivative suit; i.e., taxpayer standing to sue.

Has DOE Made a Profit?

In an article published in June of this year, the Washington Post reported that the DOE civilian uranium enrichment enterprise had purportedly made hundreds of millions of dollars in "profits." (Post, June 16, 1990, at A4.) In response to an NTUF FOIA request, DOE indicates that the only source for this Post claim is the Smith Barney Report. The Smith Barney Report—in step with the nuclear fuel industry—advocates, on a "policy" basis, recalculation and taxpayer assumption of all the $10 billion in "unrecovered costs" associated with the program.* The Smith Barney Report also tracks the industry line that taxpayers should assume all liability for decommissioning the federal uranium enrichment plants, which the Report suggests will be far higher than all official estimates to date. If taxpayers pick up all past unrecovered costs and all decommissioning liabilities, then, with a few more questionable assumptions, the enterprise has generated a "profit" in a creative accounting sense. An entity which has lost billions and incurred billions in unfunded liabilities has hardly generated a "profit." The Post fell for a ruse.

"A political system of interest-group bargaining will almost certainly result in very large inefficiencies by society in the use of its available resources. For example, each interest group will face the following incentive: If government can be pressured to provide greater goods and services for that particular group, the full benefits will flow to the group. Yet, the costs are likely to be much smaller, because the burden of taxation to pay for the benefits will be spread over the full body of taxpayers. Each interest group will typically have a strong incentive to demand as much in goods and services from government as it can get. . . . [Under this regime,] government would tend toward ever-growing budget deficits. . . . [B]oth the absolute magnitude and the distribution of goods and services provided by government [under this regime] are likely to be irrational."[78]

IV. CONGRESSIONAL EFFORTS TO DATE HAVE BEEN COUNTERPRODUCTIVE

The Senate Energy and Natural Resources Committee has fashioned a variety of bail-out proposals over the past five years. Each proposal:

(1) repeals the one provision in current law ostensibly protecting taxpayer interests, namely, the full cost recovery portion of section 161v. of the Atomic Energy Act.

(2) in effect ratifies the USEC, thus saddling any new enterprise with a contract guaranteeing ceiling prices below the level of cost recovery, and otherwise encumbering it so as to preclude profit maximization.

(3) has vague language concerning the goal of maximizing profit, and at the very least mixes that goal with alternative goals, thus raising the probability (if not the certainty) that any new entity would quickly be diverted to the service of special interests rather than the public interest.

(4) forgives all but about $364 million of the $10 billion in unrecovered costs.[79]

(5) encourages the reorganized enrichment entity to raise further capital by borrowing $2 billion, thus raising the possibility of yet further taxpayer bail-out demands when the new enterprise goes bankrupt as the existing program under similar policies has.

(6) purports to establish a fund to accumulate a reserve for decommissioning costs, but fails to include any mechanism to generate, much less assure, any significant revenues for that fund.

The "Write-Down" to $364 Million in the Senate Energy Committee Uranium Enrichment Legislation

In its various versions of the bail-out legislation, the Senate Energy Committee reduces the government investment in the uranium enrichment program to $364 million. Where does this number come from? It appears to derive from a number suggested by Mr. Williams Lee, a long-time spokesman for the nuclear utility industry.

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*The Smith Barney Report also purportedly asserts that there has been an over-recovery, as opposed to a $10 billion under-recovery, of costs, but this claim is likewise based on a whole series of "policy" judgments, all of which are made in favor of the nuclear utility industry at taxpayer expense, and all of which are contrary to the original parameters established for the civilian uranium enrichment program.

Mr. Lee is a top executive with Duke Power Company, a major energy Department enrichment customer. In a letter dated September 27, 1985, to Congressmen Fuqua, Udall and Lloyd of the House of Representatives, Mr. Lee suggested that the obligation on the part of uranium enrichment customers to repay the government's investment in the program should be limited to "net appropriations." Mr. Lee calculated net appropriations to be $355 million. This is equivalent to ignoring—"writing off"—the entire government investment in the original gaseous diffusion plants (estimated at $1.5 billion), all investment in upgrading the gaseous diffusion facilities for commercial purposes, all investment in the Gas Centrifuge Enrichment Project (which was solely for commercial purposes), all investment in uranium inventories, and all investment in research and development of new technologies for commercial use. It also calls for all government investment to be furnished for free (i.e., with no imputed interest, or any other "reasonable return" on investment). In confirmation that the $364 million figure is based on Mr. Lee's suggestion, DOE, in response to questions propounded by Representative Marilynn Lloyd, recently explained that—

"$364 million represents the cashflow associated with the commercial sale of uranium. The value of the assets transferred to the enrichment program is not a factor in the calculation."*

In their response to Mr. Lee, the three Representatives stated that "[m]ost of [the unrecovered balance—then estimated at $6 billion] . . . is due to federal investment after 1971 . . ."—in other words, for commercial purposes. The Representatives explained that even with adjustments favored by the utility industry, "it is clear that a significant sum would still be owed to the government." "[W]e believe," they said, "that all costs to the government should eventually be recovered." Letter to Mr. Lee, dated Nov. 6, 1985.

(7) fails to establish control in a true board of directors and to assure accountability by the management to its board. As a result, the new enrichment entity quickly would become a captive of special interests. Indeed, the proposals seem to encourage this by institutionalizing a conflict of interests: the various proposals call for at least one utility executive to serve on such advisory board as is constituted for the entity.[80]

(8) fails to provide for taxpayer standing to sue to protect any remaining taxpayer interests in the legislation. This failure propagates the Achilles' Heel of the existing enrichment program—namely, lack of any enforcement mechanism.[81]

Independent analyses by the media have repeatedly, consistently and accurately labelled the Senate legislation and its House progeny as "bail-out" or "rip-off" proposals.[82] The Chairman of both the Committee (Senator J. Bennett Johnston) and the relevant Subcommittee (Wendell Ford) have expressed skepticism toward establishing a profit-seeking enterprise. The clear objective of the legislation to date has been to forgive all existing unrecovered costs, and to allow the enterprise lawfully to require extensive additional taxpayer subsidization in the future.

Original versions of the Senate bailout proposal included multi-billion dollar bailout for the domestic uranium industry, as well as provisions directing the new enrichment entity to increase its market share even at the further expense of taxpayers.[83] The Bush Administration has endorsed a variant of the Senate bailout proposal, with many of the same features.[84]

This scenario has been further complicated by recent attempts by the Senate Energy and Natural Resources Committee to expedite licensing of a new domestic competitor of the DOC program,[85] that is sponsored impart by Urenco, a foreign enrichment concern, using Urenco technology. The competitor, Louisiana Enrichment Services (LES), for the first time would provide domestic utilities with a domestic supplier of enrichment services other than DOE. It obviously will reduce DOE's options to curtail taxpayer losses.

Several ironies are presented by the Louisiana proposal. First, the Louisiana venture will supposedly be financed by capital or assurances of a market wrought from U.S. utilities.[86] If U.S. utilities are willing to provide such assurances to help a foreign competitor to construct a plant in Louisiana, why are they not willing to step forward to purchase one of DOE's enrichment plants, or to finance DOE's AVLIS technology? Why are they demanding that DOE, that is, the taxpayer, assume all the risks? Second, why should legislation be adopted to facilitate the Louisiana venture when the DOE program is in such drastic need of overhaul and yet languishes?

The U.S. House of Representatives thus far has resisted the general Senate bail-out effort, and has not progressed the proposal to facilitate the Louisiana venture. No bills have emerged from House committees for purposes of negotiation in a conference with the Senate. In the meantime, however, DOE uranium enrichment program continues to lose money and value. As each year ticks by, the opportunities dwindle either to accomplish a well-executed harvest strategy, or to re-establish a vigorous uranium enrichment program that would protect taxpayers from increasing liabilities and subsidy of obligations.

Congressmen Dennis Eckart (D-Ohio) and George Miller (D-Calif.) have introduced an alternative to the taxpayer bail-out embodied in the DOE/Senate legislation, appropriately called the "Uranium Enrichment Reorganization and Taxpayer Protection Act."[87] The Eckart-Miller proposal calls for capitalizing the federal enrichment program as if it were a private business rather than writing off its assets to a fraction of book value. Instead of concentrating power in a politically-appointed administrator, the Eckart-Miller bill establishes control in a board of directors. Rather than vague guidance for pricing policy seemingly consistent with subsidizing prices in order to maximize market share, the Eckart-Miller approach establishes a paramount purpose of maximizing the value of the corporation. Moreover, the Eckart-Miller bill includes various incentives for management to profit maximize, and specifically authorizes citizen suits to assure management accountability for profit maximization purposes. The Eckart-Miller bill also contains various provisions to assure recovery of the civilian (i.e., nuclear utility) share of decommissioning costs.

V. CONCLUSION

It is clear that something should be done about the federal uranium enrichment enterprise. It also is clear that the solutions proposed by the Senate Energy Committee, recently endorsed by the Bush Administration, are non-starters. There is intense special interest opposition by the utility industry and associated contractors and nuclear fuel interests to establishing the enterprise on a sound footing, insulated from any need for, or possibility of obtaining, further taxpayer subsidies.

The federal enrichment program, like Humpty Dumpty, has taken a very great tumble. Because of special interest shortsightedness, it is well beyond the point of the federal government being able to put it back together again without requiring utility customers or U.S. taxpayers to pay more into the enterprise. There is no justification for foisting the burden on the taxpayer. The only economically reasonable course at the current time is to raise prices as high as possible as soon as possible, to make as much money as possible now, and to phase the federal program out. Any further attempts to infuse more taxpayer funds into the current loser should and must be resisted. If a federal civilian uranium enrichment program is preserved as an on-going entity, it should only be done with the most stringent protections for taxpayer interests.

Rep. Gibbons: "Well, I was here in 1964 [the year the Private Ownership Act was adopted]. . . . I don't recall any great discussion that we specifically promised prosperity for this industry. As I recall, the industry wanted some independence and they got it. Now they are in here asking us to bail them out. . . . [W]e did not intend to become a socialist state. I understand why the electric utilities want to get fuel as cheap as possible. All of us want to get our electricity as cheap as possible. We should like to get it free if we could. But I think we just have another case of overexpectation here. Why should we bail them out with this legislation?"[88]

APPENDIX I

The new AVLIS technology: Cost-effective investment or boondoggle?

Who should pay for the "next generation" of enrichment technology? Not the U.S. taxpayer.

The federal government, based on a forecast of increased demand, doubled the capacity of the gaseous diffusion plants at a cost in excess of $1 billion. That capacity is now unneeded, and the Oak Ridge Plant has been shut down permanently. The federal government, again on the basis of its forecasts, spent almost $3 billion on a gas centrifuge plant at Portsmouth. This was cancelled in 1984 in the face of lack of need and in favor of projected AVLIS technology.

There is currently no forecast for a marked increase in demand for uranium enrichment services. The U.S. does not require any new capacity to serve all foreseeable domestic needs. Yet advocates of AVLIS call for construction of a new enrichment plant based on that technology, ranging up to 9,000,000 SWU in capacity (roughly equivalent to current demand for U.S. enrichment). If an AVLIS plant is constructed, it will necessarily displace demand currently being served by DOE's existing plants. It either will render those plants or itself inefficient, or it will necessitate a shut down of existing capacity.

No one to date has analyzed AVLIS in terms of its ability, or likelihood, to minimize taxpayer losses from DOE's uranium enrichment program. Policymakers should be extremely skeptical that AVLIS will lead to loss minimization. It is likely to be yet another costly mistake if constructed at taxpayer expense. The following points merit special attention.

First, any AVLIS plant will be excess capacity and will be selling into a glutted market. This renders investment in the plant ex-

*H.R. 2840—The Uranium Enrichment Reorganization Act, Hearings before the Energy Res. & Dev. Subcom. of the House Science, Space & Tech. Comm., 101st Cong., 1st Sess. at 319 (1989).

tremely risky. This is all the more the case given DOE claims that the Soviet Union is willing to sell 6,000,000 SWU per year at or perhaps below the cost of producing enriched uranium via AVLIS. The nuclear utilities appear unprepared at this point to commit either to fund the AVLIS plant or to purchase services from the AVLIS plant. Why should the enormous investment risks associated with AVLIS be borne by taxpayers?

Second, AVLIS remains untried, and under current projections, it does not result in significant savings. Projected AVLIS costs range from about $60 to $100 per SWU if development costs are taken into account. If a small plant is built, the high end of this cost range will apply. If a large plant is constructed, costs may approach the lower end. But the actual costs to operate the gaseous diffusion plants are currently only about $60. Proponents of AVLIS argue that gaseous diffusion costs will go up if pollution controls are installed on coal-fired generating stations that produce electricity to operate the gaseous diffusion plants. But the costs associated with AVLIS technology may also go up.

Third, AVLIS, as currently designed, cannot produce the highly enriched uranium needed for defense naval reactors. Therefore, the federal government will need to keep at least one gaseous diffusion plant operating to produce highly enriched uranium. By diverting demand for low enriched uranium from that plant, AVLIS may increase the cost of highly enriched material.

Under these circumstances, it seems clear that the government should not build any additional enrichment plants. Construction should proceed only if substantial equity participation is obtained from the nuclear industry, or if utilities guarantee that they will purchase services from the plant sufficient to assure recovery of costs.

The utility industry currently is supporting legislation to expedite the licensing of a URENCO-developed gas centrifuge uranium enrichment plant to be operated by Louisiana Energy Services (LES) in Louisiana. Private investors from the utility and nuclear fuel industry are bearing the risks for this proposed plant. This demonstrates that arrangements can be made for new plants and non-gaseous diffusion technology without requiring taxpayers to bear all the downside risks.

Currently nuclear utilities are urging DOE to build AVLIS. AVLIS should be constructed only if it is at the risk of the utilities and not at the risk of the taxpayers.

APPENDIX II

What the nuclear utilities say about unrecovered costs

The nuclear utilities claim that they "have paid their full share of all past costs and are not responsible for any debt."* GAO's rebuttal of the utility position is succinctly stated in the 1989 hearings.** The utility arguments, portions of which are inconsistent, run as follows:

1. The prices utilities paid were based on methodology reviewed and approved by GAO and the Joint Committee.

True—until the advent of the generic "utility services enrichment contract" (USEC) in 1984. DOE in USEC abandoned the pricing methodology reviewed and approved by GAO and the Joint Committee. USEC was predicated on huge "write-off's" of costs.

2. The full cost recovery requirements of section 161v. is just a guideline; nothing really requires cost recovery.

False. This is revisionist history and a flat disavowal of what the utility industry said section 161v. meant from 1964 through 1984. No express payment is required to the Treasury, but this is to permit flexibility for re-investment in the program. However, all re-investments remained subject to the paramount requirement of cost recovery. This was the consistent interpretation of the law by GAO, by DOE's predecessors, and, until 1984, by DOE. Additionally, this interpretation was propounded by the nuclear utilities until 1984.

3. Utilities' obligation to repay is limited to their government enrichment contracts and they never agreed to pay more.

False. An ultra vires government contract is not enforceable against the government. Utilities for twenty years embraced the full cost recovery requirement of section 161v. Only now are they disagreeing with that commitment.

4. The government's interest is like an equity holder, not a bondholder, and thus is not a "debt," but an amount at risk which is now lost to its owner.

The first thing to note about this argument is that effectively admits there has been a loss. Aside from this admission, the argument is beside the point. Section 161v. and implementing criteria, expressed in federal rules, provided that the federal government, like a bondholder, or an equity holder in a utility, would obtain a "reasonable return" on investment. Not only are the utilities arguing against any return on the investment, but they are arguing that the entire investment should be "written-off." This is simply a convoluted way to call for a huge taxpayer subsidy.

5. The enrichmnent program serves U.S. defense and non-proliferation goals as well as commercial goals, and thus taxpayers should subsidize prices for commercial users.

Of course, taxpayers should pay for the defense share of enrichment costs. However, according to GAO and DOE statements, taxpayers already have paid or will pay for all the defense share. Although some adjustments may be appropriate, the vast build of the enormous "unrecovered cost" figure of $10 billion is properly attributable to commercial operations. Additionally, commercial customers have not paid their share of decommissioning expenses. This violates section 161v. of the Atomic Energy Act, a provision that the utilities heretofore supported.

FOOTNOTES

[1] Restructuring the Department of Energy's Uranium Enrichment Program, Hearings before the Subcommittee on Energy Research and Development, Senate Energy and Natural Resources Comm., 100th Cong., 1st Sess. at 187 (1987).

[2] The current contractor is Martin Marietta. The former contractor was Union Carbide.

[3] GAO gave the level of "unrecovered costs" as $9.6 billion as of the close of FY 1988. See Statement of K. Fultz for GAO, July 26, 1989, at p. 2, before the Energy Research and Dev. Subcomm. of the House Science, Space and Technology Committee. This amount increases at the rate of approximately 0.5 to 1.0 billion per year, and now exceeds $10 billion.

[4] GAO, Uranium Enrichment (GAO/RCED-89-170BR) 29-37 (July 1989).

[5] The three facilities are Paducah, Kentucky, Portsmouth, Ohio; and Oak Ridge, Tennessee.

[6] Oak Ridge.

[7] GAO, Uranium enrichment, supra.

[8] Smith Barney Report, p. 65. All references are to the "sanitized" version.

[9] Id.

[10] Section 161v. of the Atomic Energy Act, 42 U.S.C. § 2201v.

[11] See note 1, supra.

[12] Letter, Comptroller General to the Hon. John Dingell, Dec. 27, 1984, pp. 7-8 [B-207463] [hereinafter cited as 1984 GAO Letter].

[13] 1984 GAO Letter at 22.

[14] E.g., 1984 GAO Letter, supra note 10, at 22. See also OMB, Major Policy Initiatives 88 (1986) (acknowledges amount of unrecovered costs and indicates major write-off); 51 Fed. Reg. 3624 (1986) (same).

[15] "Backed by cheerleaders and school bands, Ohio politicians . . . joined 2,500 residents of the Portsmouth [Ohio] area in urging the Energy Department to locate a[n] [AVLIS] uranium processing facility there that the government has yet to decide to build. Paducah, Ky., and Oak Ridge, Tenn. are also clamoring for the plant for the same reason: about 1,500 jobs. Washington Post, June 16, 1990. A4.

[16] H.R. 2480—The Uranium Enrichment Reorganization Act, Hearings before the Energy Res. and Dev. Subcomm. of the House Science, Space and Technology Comm., 101st Cong., 1st Sess. at 178-79 (1989) (hereinafter referred to as "1989 Hearings") (reprinting letter from NTU to Deputy Secretary of Energy Henson Moore summarizing the data).

[17] DOE Response, dated July 31, 1990, to NTUF FOIA Request, dated June 18, 1990, Q 13.

[18] B. Franklin, Autobiography 161 (M. Farrand ed. 1949).

[19] Section 52 of the Atomic Energy Act of 1954, 68 Stat. 929-30, 42 U.S.C. § 2011 (1954) (now repealed).

[20] In particular, the Private Ownership Act repealed the prohibition on private ownership of "special nuclear material"—enriched uranium.

[21] See, e.g., 1970 U.S.C.C.A.N. 5004-5 and 5012 (confirming GAO construction).

[22] The Conway Formula is embodied in an exchange of letters between AEC and the Joint Committee reprinted in Uranium Enrichment Services and Related Matters, Hearings before the Jt. Comm. on Atomic Energy, 88th Cong., 2d Sess. 517-19 (1966). See also 1984 GAO Letter, supra, App. IV, at 4-5.

[23] 1984 GAO Letter at 22.

[24] See note 17, supra.

[25] Id.

[26] Future Structure of the Uranium Enrichment Industry, Hearings before the Jt. Comm. on Atomic Energy, 93rd Cong., 2d Sess 175 (1974).

[27] See Hearings before the Energy & Env. Subcomm. of the House Comm. on Interior and Insular Affairs, 99th Cong., 2d Sess, testimony of B. Jeanine Hull for National Taxpayers Union at p.3 (1986) (quoting earlier utility industry testimony, including testimony attacking GAO warnings).

[28] Uranium Enrichment Policy, Hearings before the Energy Res. & Dev. Subcomm. of the Senate Energy & Nat. Resources Comm., 95th Cong., 2d Sess. 80, 87,444 (1978). See also id, at 75 and 88 (asserting that utilities would pay for all the associated costs under current law).

[29] For example, EEI's Loring Mills now claims that the unrecovered costs are the fault of GAO's alleged "lump[ing] government domestic and foreign policy actions . . . while ignoring the year-by-year directives of Congress" and he now asserts that "[s]omething is wrong with the GAO logic." Uranium Enrichment and Mill Tailings Reclamation Legislation, Hearing before the House Ways & Means Comm., 100th Cong., 2d Sess. at 78 (1988). With respect to enrichment, GAO's predictions and logic have been demonstrably superior to those of EEI, and additionally have been far more consistent.

[30] See, e.g., Uranium Enrichment Policy, Hearings before the Energy Cons. & Power Subcomm of the House of Energy & Power Comm., 98th Cong., 1st & 2d Sess. 315-26 (1983-84).

[31] For further discussion of this widely acknowledged history, see Montange, The Federal Uranium Enrichment Program and the Criteria and Full Cost Recovery Requirements of Section 161 of the Atomic Energy Act, 2 J. Min. L. & Policy 1 (1986-87).

[32] See 1984 GAO Letter at 23-25.

[33] GAO concluded that DOE's use of "acquisition costs" for pricing the uranium stockpile was not necessarily unlawful under some aspects of section 161v. and 161m. of the Atomic Energy Act, but questioned whether DOE had undervalued "acquisition costs" (by not including storage and other overheads) and whether DOE's practices with obligations toward the domestic uranimum industry. Apart from legal requirements, GAO questioned the wisdom of distributing an asset at a price below its market price. 1984 GAO letter at 26.

*The utility arguments recounted herein are based on the testimony of Joseph M. Farley on behalf of American Nuclear Energy Council and Edison Electric Institute at Hearings on H.R. 2480—The Uranium Enrichment Reorganization Act, Hearings before the Energy Research and Development Subcommittee of the House Science, Space and Technology Committee, 101st Cong., 1st Sess. 79 (1989).

**Id at 332.

[34] Letter, Mr. Garrish (DOE) to Senator Humphrey, March 25, 1988, Answer to Q 10 [herinafter cited as 1988 DOE Letter.] Relevant excerpts from this letter are reproduced in the 1989 Hearings, supra, at 201, et seq.

[35] See 1988 DOE Letter, Answer to Q 10 (.7 x 117) + (.3 x 90) = $108.90.

[36] The on-going subsidization of the uranium enrichment program by taxpayers has been consistently highlighted by National Taxpayers Union since 1984.

[37] K. Fultz (GAO) to Cong. M. Udall, April 14, 1987, response to Q 4.

[38] *Wash. Post*, June 16, 1990, A4.

[39] 1984 GAO Letter at 6–8.

[40] *Id.*

[41] 1984 GAO Letter at 9–12. 42 U.S.C. §7191(a)(1) renders the procedures of 5 U.S.C. §551, at seq., applicable to DOE and §7191(b)(3) repeals the exception from rulemaking requirements for contracts ordinarily applicable under 5 U.S.C. §553(a)(2).

[42] *See U.S. Uranium Industry Seen Continuing Its Long Decay, Washington Post*, Oct. 10, 1989, at D1; *Nuclear Reaction; U.S. Uranium Mines, Thriving 5 Years Ago, Are Nearing Extinction, Wall St. J.*, June 12, 1985, A1.

[43] *Western Nuclear v. Huffman*, C.A. 84–C–2315, Amended Order filed Sept. 19, 1985.

[44] *id.*, Order filed June 20, 1986.

[45] 51 Fed. Reg., 3624 (Jan. 29, 1986).

[46] 51 Fed. Reg. 27132 (July 29, 1986).

[47] *Western Nuclear v. Huffman*, 825 F.2d 1430, 1437 (10th Cir. 1987).

[48] 825 F.2d at 1434.

[49] Letter, Comptroller General to Rep. Markey, Feb. 19, 1986 [B–207463] (the GAO opinion relates to DOE's proposed new criteria which in pertinent part are the same as the final criteria adopted).

[50] *Id.*, 825 F.2d at 1437–40.

[51] *Huffman v. Western Nuclear*, 108 S. Ct. 2087 (1988). The case was remanded for possible trial of the question.

[52] P.L. 100–449, title III, §305(b), 102 Stat. 1876.

[53] Canadian uranium available for export is generally of higher grade than U.S. ore. *See U.S. Uranium Industry Seen Continuing Its Long Decay, Washington Post*, Oct. 10, 1989, D1. Ironically, the Canadian ore destined for the American market tends to come from high grade deposits in western Canada, and is much higher in grade than the Ontario ore reserved for Canada's domestic market, which is centered in Ontario.

[54] Throughout the litigation, the domestic uranium industry had been seeking "deals" with the utility industry whereby the uranium industry would agree to de facto repeal of the uranium viability proviso in return for utility and federal government assistance to clean-up uranium mill tailings. At one point, elements of the utility industry, as well as DOE, had agreed to a $1.75 billion bailout for the uranium industry, with the bulk of the funds coming from taxpayers and ratepayers, for uranium mill tailings clean-up subsidies and a program to purchase excess uranium for the government stockpile at above-market prices. See Uranium Enrichment and Mill Tailings Reclamation Legislation, Hearing before the House Ways & Means Comm., 100th Cong., 2d Sess. at 75 & 89 (1988) (testimony of EEI/Duke Power spokesman William Lee about the package deal). See also, e.g., S. 2097 and its House counterparts, H.R. 4934, H.R. 4975 & H.R. 4489 of the 100th Cong., all discussed in testimony of the National Taxpayers Union before the Energy Res. and Dev. Subcomm. of the House Science, Space, & Tech. Comm., Oct. 6, 1988; Uranium Revitalization, Tailings Reclamation, and Enrichment Legislation, Hearing before the Energy & Env. Subcomm. of the House Interior Comm., 100th Cong., 2d Sess. at 287 (1988). This "deal" was detailed by the Free Trade Compact as well. The domestic uranium companies are still seeking subsidies from U.S. taxpayers for uranium mill tailings clean-up. With the threat of enrichment limitations gone, the nuclear utilities are unwilling to enter into any "deal."

[55] 13 C. Wright & A. Miller, Federal Practice & Procedure §3510.10. (1984).

[56] See GAO, Uranium Enrichment (GAO/RCED–89–170br) 29–37 (July 1989).

[57] 1988 DOE Letter, Answer to Q 11 [1989 Hearings at 203].

[58] Maximizing market share is more the objective of a monopolist, and, in a competitive market, generally requires some source of revenue outside the market to subsidize below cost prices and other anti-competitive measures.

[59] See note 1, supra.

[60] Energy Department Negotiates for Cheaper Soviet Uranium, Wash. Post, June 16, 1990, at p. A4.

[61] A. Smith, An Inquiry into the Nature and Causes of the Wealth of Nations 421 (E. Cannan, ed., 4th ed.).

[62] Paradoxically, the Senate Energy and Natural Resources Committee is encouraging the LES project, causing more competition and economic difficulties for the DOE enterprise, at the same time the Committee is arguing for a massive taxpayer bailout of the DDOE enterprise on the ground that the enterprise is vital for national energy security.

[63] See DOE response dated July 31, 1990, to NTUF FOIA request dated June 18, 1990, Q 13.

[64] From an economist's point of view, certain markets are inherently "natural monopolies": it is simply far less expensive for one company to supply the market than to have multiple companies supplying the market. See A. Kahn, The Economics of Regulation 11 (1970). A classic example is a local telephone company or local electric company. It is cheaper for one set of telephone or electrical wires to be strung and maintained than for multiple sets. Markets which are natural monopolies are frequently served by utilities.

[65] E. Mansfield, Microeconomics 282 (1969).

[66] E.g., Private Ownership of Special Nuclear Materials, Hearings before the Legis. Subcomm., Jt. Comm. Atomic Energy, 88th Cong., 1st Sess. 29–30 (1963); Proposed Modification of Restrictions on Enrichment of Foreign Uranium for Domestic Use, Hearings before the Jt. Comm. on Atomic Energy, 93rd Cong., 2d Sess. at 8, 232–33 (1974). Although the Atomic Energy Commission was split into ERDA (later DOE) and NRC in 1974, nothing in that change altered the substantive authorities under the Atomic Energy Act, and both NRC and DOE share authority under key provisions such as AEA §§161b. & p., 42 U.S.C. §§2201b. & p. See H. Rep. 93–707 at 27; S. Rep. 93–980 at 84 (1974) (reports on Energy Reorganization Act).

[67] See pp. 5–6, supra.

[68] Smith Barney, et al., Executive Summary x (1990).

[69] Energy Department Negotiates for Cheaper Soviet Uranium, Wash. Post, June 16, 1990, at p. A4.

[70] U.S. military requirements are currently 1 million to about 3 million SWU per year, chiefly for naval reactors. These requirements can be supplied with a much smaller federal enterprise than currently exists. Further, notwithstanding "Third World" military involvements such as Kuwait, the current international situation suggests the military requirements for uranium may decrease rather than increase for the foreseeable future. See "Military Chiefs Detail Plans to Cut Troops, Weapons," Washington Post, May 12, 1990, A1. Any U.S. military enrichment needs could be satisfied by retaining one plant. This indeed will have to be done anyway if AVLIS, which is ostensibly not suitable for high grade enrichment, supplants commercial operation of the existing GD plants.

[71] The Smith Barney "Executive Summary" falls for this "argument," inviting continued taxpayer subsidies for the enrichment program because "a growing percentage of U.S. utility customers are purchasing enrichment from foreign suppliers, including the Soviet Union." Smith Barney Exec. Summary at x. This may be the largest blunder in the Smith Barney report from a policy standpoint, but the verdict on largest blunder cannot be announced so long as the full report is withheld from the public.

[72] C. England, Federal Deposit Insurance: Should It Be Privatized?, National Forum at 24 (Spring 1990) ("Depositors whose accounts are fully protected by the government do not choose their banks on the basis of financial strength, conservative investment practices, or the managers' gilt-edged reputations. . . . [This] relieves bank owners and managers of the need to compete on the basis of safety and financial stability").

[73] In theory, government enterprises can operate efficiently if they would behave as if they were private, for-profit enterprises. See E. Mansfield, Microeconomics 424–25 (1969).

[74] This rationale has been suggested by various subsidy proponents, as well as by DOE's consultant Smith Barney in its recent "Executive Summary."

[75] This appears to have been DOE's objective with respect to the USEC.

[76] This appears to be a basic objective of at least some members of Congress with uranium enrichment facilities within their districts.

[77] This appears to be an objective of DOE contractors, research laboratories, and at least some members of Congress who sense that DOE's program is otherwise on the rocks and that existing gaseous diffusion plants may be shut down.

[78] "Economic Public Policy" in Privatization: Toward More Effective Government, Report of the President's Commission on Privatization 233–34 (March 1988).

[79] DOE has recently given the book value of its enterprise as $4,726,137—about 14 times the value down for which the Senate would write it off. See H.R. 2480—The Uranium Enrichment Reorganization Act, Hearings before the Energy Res. & Dev. Subcom. of the House Science, Space, & Technology Comm., 101st Cong., 1st Sess. 313 (1989).

[80] Seating a utility executive on a board advising or controlling the enrichment entity amounts to institutionalization of a conflict of interest.

[81] See, e.g., S. 2097, 100th Cong.

[82] E.g., "Taxpayer-enriched uranium rip-off?" Washington Times, March 15, 1988, at F1; "$9 Billion Bailout for Nuclear Industry?" Washington Post, March 21, 1988, at A9.

[83] See Uranium Enrichment and Mill Tailings Reclamation Legislation, Hearings before the House Ways & Means Comm., 100th Cong., 2d Sess. (1988) (hearings on House bills identical to S. 2097).

[84] During the Reagan Administration, DOE and the Office of Management and Budget sought to limit the "write-off" so as to preserve $3 billion to $3.5 billion in unrecovered costs for eventual recovery. With the endorsement of the Johnston/Ford/Duke Power figure of $364 million, the "write-off" is nearly complete.

[85] See Testimony of Senator Johnston in favor of expediting the LES proposal, and testimony of Charles H. Montange on behalf of National Taxpayers Union questioning the impact of the LES proposal in the Oversight Hearing on Licensing of Uranium Enrichment Facilities, before the Energy & Env. Subcomm. of the Interior & Ins. Affairs Comm., 101st Cong., 2d Sess., March 6, 1990.

[86] Cf. H.R. 2480—The Uranium Enrichment Reorganization Act, Hearings before the Energy Res. & Dev. Subcom. of the House Science, Space, & Technology Comm., 101st Cong., 1st Sess. 178 and 215 (1989).

[87] H.R. 5181, 100th Cong., 2d Sess.; H.R. 2278, 101st Cong., 1st Sess.

[88] Uranium Enrichment and Mill Tailings Reclamation Legislation, Hearing before the House Ways & Means Comm., 100th Cong., 2d Sess., at 53–54 (commenting on the 1988 vintage of the Senate Energy Committee bailout legislation).

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. CONRAD. Mr. President, I ask for 2 minutes from the chairman.

Mr. JOHNSTON. I yield 3 minutes to the distinguished Senator from North Dakota.

Mr. CONRAD. I thank the chairman.

Over and over we have heard on the floor that there is no energy efficiency standards in this bill, there is no conservation in this bill. I do not know what bill they are talking about. It is certainly not the bill that is before this body.

Anyone can open the bill and find out what is in it. I refer to page 3, title VI, energy efficiency. And it says, building energy efficiency codes, residential energy efficiency ratings and mortgages, manufactured housing energy efficiency, improving efficiency in energy intensive industries, and the list goes on and on and on. Renewables, alternative fuels provisions, conservation, energy efficiency. It is all here.

Is it perfect? No, it is not. I believe very strongly that the fuel efficiency standards ought to be increased, but for Members to tell the American people and to tell our colleagues that there is nothing here on conservation, that there is nothing here on energy efficiency, that there is nothing here on

renewables, that there is nothing here that goes toward conserving energy is just not so. Those of us who are members of the committee and worked months on this bill have an obligation to set the record straight.

Mr. President, fundamentally, the question is this: America is 50-percent dependent on foreign crude oil as we meet here today. The Office of Technology Assessment told us this week that we are headed for 75-percent dependence on foreign crude oil by the year 2010 if we fail to act. A failure to invoke cloture would be a failure to act. It would be a serious mistake for this country.

What could be more clear? We have just had 500,000 young Americans put their lives on the line, at least in part because of this Nation's energy dependence. I urge my colleagues to support cloture.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. BAUCUS. Mr. President, I yield 1 minute to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator.

There are major problems with this bill. Title XV is an example. ANWR and nuclear relicensing are examples. But most important, this bill opens up the CAFE issue and that poses great dangers to the U.S. auto industry and tens of thousands of U.S. jobs. And it is obvious from what was just said by the chairman of the committee that he is open to higher CAFE standards. That troubles me greatly.

Unless the bill is reworked, I think there is a great danger of unrealistically high CAFE standards being adopted. That would do tremendous damage to the auto companies, our national industrial base, and U.S. industrial workers. The CAFE standards being sought by some would add $70 billion in new capital costs to the auto industry. They have just lost nearly $10 billion in the last five quarters. They do not have the money. The Government is not offering to provide the money, and it just does not make any sense.

The industrial economy today is in deep trouble. The President has no plan to deal with it. We cannot risk destroying one or more of the U.S. auto companies. More time is needed to deal with these issues before moving ahead with this bill.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. JOHNSTON. Mr. President, how much time remains?

The ACTING PRESIDENT pro tempore. The Senator from Louisiana has 9 minutes and 10 seconds; the Senator from Montana, 7 minutes, 33 seconds.

(Mr. WIRTH assumed the Chair.)

Mr. JOHNSTON. Mr. President, I yield myself 2 minutes.

Mr. President, getting back to energy efficiency, in this bill, we have some 30 different initiatives for energy efficiency. They include establishing energy efficient standards for new buildings and requiring their use to obtain Federal mortgages; establishing energy efficient standards for commercial and industrial equipment, such as lighting, heating, air-conditioning, utility transforming equipment; establishing strong incentives for State utility regulatory agencies to set new rate structures to promote energy efficiency programs, integrated resource planning, maximum efficiency in utility generation and transmission operation, integrated resource planning for TVA and the Federal power marketing agencies.

Mr. President, the list goes on and on. I have made speeches about this in the morning hour here.

Mr. President, you know in spite of laying out the case for energy efficiency in this bill, for conservation in this bill, for alternative fuels in this bill, nobody comes up and challenges the bill and says you ought to do this or do that with respect to energy efficiency or conservation or alternative fuels. They just simply say there is nothing in here. Thirty initiatives drawn by the Senator from Colorado, the leading energy efficiency alternative fuels Senator in this body, and yet we are told there is nothing in it for energy efficiency.

Mr. President, we are living in a dream world. Black is white, up is down, and there is nothing in this bill for energy efficiency.

It is just not true, Mr. President. I mean, I am speechless. To say we have a quarter of this bill, we have 150 pages, or whatever the number of pages is, dealing with energy efficiency, and nobody makes a suggestion of how to strengthen it other than by taxes. Oh, everybody tells us you can put in taxes in this bill. But what really do you do for energy efficiency that we have not done?

I submit we have done all that is appropriate and proper and sensible. And if there is something else to do, when we put that title up there, we will consider amendments to it. As a matter of fact, the Senator from Colorado has suggested another seven or eight different amendments which we have already agreed to accept. But somehow, that is not enough.

What is enough and what do you want? What do you want besides taxes? That is what I want to know. And if you are for taxes, go to the Finance Committee and propose them.

I have been down that route. I proposed a 50-cent gasoline tax back in the seventies, a 10-cent a year increase over 5 years, and I heard nothing from the environmentalists, I heard nothing from the soft path people. All I heard was from my State, and they did not like it.

I learned my lesson about taxes. And I say to the people in my State, I am not for them. Thank you very much. If somebody else wants to propose them, that is fine.

But, Mr. President, there is plenty in this bill for energy efficiency, conservation, and alternative fuels.

Mr. CONRAD. Will the gentleman yield for a brief question?

Mr. JOHNSTON. Yes, I will.

The PRESIDING OFFICER. The Senator's 2 minutes has expired.

Mr. JOHNSTON. Mr. President, I yield such time as this question takes.

Mr. CONRAD. Mr. President, I am told that the Department of Energy has estimated that without this bill we will use 14 million barrels a day of imported oil. If this bill passes, that will be reduced to 8 million barrels. Is that the chairman's understanding?

Mr. JOHNSTON. The Senator is correct.

Mr. CONRAD. So those who say we are not saving oil are just flat wrong.

Mr. JOHNSTON. Absolutely wrong. I think the question is an excellent one. I think this is a lot more far-reaching than even the proponents of the bill know about. It is a tremendously far-reaching bill.

Mr. CONRAD. I thank the chairman.

The PRESIDING OFFICER. Who yields time?

Mr. WELLSTONE. Will the Senator from Louisiana yield?

Mr. JOHNSTON. On your time.

Mr. BAUCUS. Mr. President, I yield 1 minute to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. LIEBERMAN. I thank the chair and I thank the Senator from Montana.

Mr. President, there is a crisis of public confidence in Congress today. Part of the reason for that is that too often we do not reflect the values and concerns and hopes for the future of the American people. We reflect the concerns of established interest groups that are well represented here in Washington.

I am convinced that one central feature of this bill is consistent with that loss of confidence and that is the plan to drill for oil in the Alaskan wilderness, because every poll I have seen shows that the American people do not want us to do that.

Mr. President, I say to our friends from Alaska, who have complained about what we are trying to do to their land, that this land is quite literally our land. It is American land. It is the land that Seward bought from the Russians more than a century ago, and that law after law has preserved the American people's right to enjoy.

The motion to proceed is a difficult motion to filibuster. It is going to be a close vote in about 10 minutes. I say to my colleagues if you truly want to protect the Alaskan wilderness this may be the last best hope. But this is only the first round in a fight that will go on. I, for one, will do everything I can

to stop this bill if it continues to force drilling for oil in the Alaskan wilderness because something irreplaceable will be lost.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. JOHNSTON. Mr. President, I yield to my colleague from Louisiana 3 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. Mr. President, let me first rise and congratulate the distinguished chairman of the Energy Committee. As I listened to the debate on this bill from the Democratic side, it sounded like George Bush came down one dark night and crafted this bill and threw it out on the Senate floor.

I think we should all, as Democrats, remind ourselves this is a product of a democratically controlled Senate, a democratically controlled Energy Committee, which is chaired by a Democrat. The final vote in that committee was 17 to 3. It was not by a one-vote margin. It did not come out here by a tie vote with a recommendation that we consider it. It passed by a huge, overwhelming majority, I say to my Democratic colleagues, by a democratically controlled committee. Yet there are some now who refuse to even consider the bill that our committee has produced.

The Senate Energy Committee in a compromise fashion has produced a piece of legislation that some may disagree with. But why are they afraid to even talk about it? Is the problem in our country so serious that we have to stick our heads in the sand like a bunch of ostriches and say we are so fearful of working the will of the majority that we will not even consider or not even allow the majority to work its will? What kind of future thinking, planning, or strategy for security in this country does that represent?

I suggest it represents a philosophy that is simply not acceptable when we have the situation in the world that demands our country have an energy policy. There is no doubt we have none. America's energy policy has not been made in Congress. It has not been made by the oil companies. It has not been made by the White House. It has been made by OPEC. Every time OPEC meets in a fancy hotel in Europe to determine how much oil they are going to produce, they determine the economic and defense security of this country. That, I suggest, is totally and absolutely unacceptable.

Why should the Senate be so fearful of even discussing or debating or even voting on a proposal that has come from the democratically controlled Energy Committee?

For those who do not like some provisions of a 17-title bill, I suggest when that title comes up they offer an amendment to strike it. That is the democratic way that this Senate always operates. If they do not like ANWR, if they do not like CAFE, the only thing they have to do when the bill is coming up for consideration is simply offer an amendment to take that section out. If they win, they win. If they lose they lose.

But the situation we have now is that America is losing. This country is losing because of the inability of this Congress—and particularly this body—to even consider something that some people may consider is too controversial. "I do not like that position, that title, so we are not going to do anything but stick our heads in the sand and pretend we do not have a problem."

I suggest to those who take that position it is only more of the same, and if there is anything the American public do not want—talk about polls? Americans do not want more of the same.

In effect, we have a vacuum. We have no energy policy and that is unacceptable. The bill should be brought up and debated and voted on.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. JOHNSTON. How much time is left?

The ACTING PRESIDENT pro tempore. The Senator from Louisiana, 1 minute and 22 seconds; the Senator from Montana, 6 minutes and 8 seconds.

Who yields time?

Mr. BAUCUS. Mr. President, I yield myself 2 minutes.

Mr. President, I want to make a couple of points clear here. It has been said that those who are concerned about this bill do not want an energy bill considered this year. That is patently false. That is incorrect. We, all of us in the Senate, very much want an energy bill. We want to work on sound energy policy. Why? Because our country is becoming more and more dependent upon foreign sources for oil.

We know what happened in the gulf. We know what might happen in the future unless our country adopts a very strong energy policy.

Under this bill, the bill before us now, the United States will be more dependent upon foreign oil in the future than it is even today. We have heard some figures indicating that we can be a little less dependent. Those rely on efficiency standards which are essentially discretionary on the part of the Secretary of Energy, or they are voluntary. They are illusory; they are not there. There may be some, but in the main they are not there.

I believe—I think most of us who have problems with this bill believe—that we have to take the opportunity now to craft an energy policy that, in fact, makes America less dependent on foreign oil. This bill does not do that. This bill is business as usual. Our country can no longer afford business as usual. Our country must rededicate itself. It must find new ways to pull itself up by its bootstraps so we begin not only to address production. The Senator from Wyoming is correct, we have to address production. Production is part of a balanced energy policy. But production also includes much greater efforts on enhanced recovery, secondary and tertiary recovery, than there might possibly be up on ANWR.

I yield myself 1 additional minute.

It also means true conservation; true, meaningful conservation. We are the most inefficient country in the world but for Canada. Japan is much more energy efficient than we. Germany is much more energy efficient than we. Every other country is much more energy efficient than the United States of America, but for Canada. That is probably because it is a little bit colder up in Canada than it is in the United States most months of the year.

If we are going to compete in the future, we have to, today, develop the technologies to make America more competitive, more efficient, so we cannot only produce products in our country that are more efficient but we can sell them overseas to other countries and sell technologies to other countries. We cannot go down the path of business as usual, and that is what this bill does.

One other point, there are all kinds of ways to put this back together again. We have suggested one approach, the three-bill approach. It does not change the substance. It is just a change in the process.

Another approach is to meet in S-224, as we did on the Clean Air Act. I, as the manager of the Clean Air Act, knew when that bill came out of committee it needed work. There was solid opposition on the floor. So we worked, sat down together to develop it—all Members of the Senate. Then it was fully debated here on the floor. That is a process that worked.

There are all kinds of ways to deal with this, and I urge us to reject cloture in the vote on the motion to proceed so we can find a process that moves America toward a sound energy policy.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. JOHNSTON. Mr. President, I yield myself the remainder of my time.

Mr. President, we have heard a lot of talk here about what the bill does and does not do. The bill needs debate. I think we can demonstrate with time that it is not just a good bill, it is a very good bill, on energy efficiency, conservation, and alternative fuels.

I believe, if given the opportunity to present this title by title, we can convince a majority of Senators, including a majority of Democratic Senators, that most titles in this bill are excellent. I think they will vote for it as Democrats did in the committee by a vote of 8 to 3.

But what we need is an opportunity to explore various ways to bring this bill up. I do not know what this two-bill strategy is. Is that unanimous consent? Is that a motion to strike? I mean, a motion to strike will be in order as soon as we come up. If you want a test vote on the Arctic, why do the opponents of the Arctic not move to strike? If you win, you win. If you do not win, then you can filibuster.

I find it disingenuous to say they want to consider the bill yet will not give us a way to consider it. Let this Nation consider energy policy. It is here. It is now. And now is the time the Nation needs your vote.

The PRESIDING OFFICER (Mr. KOHL). The Senator from Montana has 2 minutes.

Mr. BAUCUS. I yield 1 minute to the distinguished Senator from Nevada.

Mr. BRYAN. Mr. President, central to debate over the last couple of days has been the Arctic and CAFE, and, indeed, those are central aspects of a sound energy policy.

But what is at issue here is even broader and, in my view, more significant than that. We are talking about a change of philosophy. Those who advance the cause of S. 1220 are relying upon a romantic notion of the past, that somehow energy independence can be secured by proceeding along with the same approach that for nine decades has dominated energy policy in this country; that by drilling in the Arctic, by drilling in the outer coastal shelf, somehow that will lead to energy independence.

I think the evidence and logic conclusively demonstrate to the contrary. We must, Mr. President, and we should, seize the opportunity to lead the world in the energy technologies of the next century. That, Mr. President, is what we must do.

The PRESIDING OFFICER. The Senator from Montana has 50 seconds.

Mr. BAUCUS. Mr. President, I yield the remaining time to the Senator from Colorado.

Mr. WIRTH. Mr. President, we have had a long and extensive debate, and there will be more, I believe. We believe on our side that we are entitled to the same rights in the Senate as others on other issues. That debate has been made. We also believe very strongly that we do need an energy bill, and we made a number of proposals of how to get from here to there.

Finally, Mr. President, it is enormously important to remember that we on this globe have to look to the future. If we drill in the Arctic, how can we say to the Brazilians, "Do not cut down your rain forests?" U.S. leadership is imperative.

Mr. ROBB. Mr. President, it is with reluctance that I will vote no on the motion to invoke cloture on the motion to proceed to S. 1220, the National Energy Security Act of 1991.

I believe strongly that our Nation needs to deal forthrightly with our energy problem. Our overreliance on imported oil is a gaping national security threat. But I think our energy policy needs to be aggressive and forward-looking, and I fear that S. 1220, as drafted, falls short. I would prefer an energy policy that moves us more dramatically beyond oil, which puts greater emphasis on conservation and on alternative fuels and renewable energies. I am particularly disappointed that the bill tries to address energy policy without mention of the one measure which experts believe could most significantly reduce our reliance on oil: An increase in the gasoline tax.

Mr. President, I do not cast my vote lightly. I very rarely vote against cloture. But I do so today in the hope that failure to gain cloture will lead to the kind of off-the-floor negotiations which made the clean air bill more acceptable to a broad mainstream within the Senate. Should the cloture motion fail, I hope that negotiations will begin swiftly so that the Senate can take up a more balanced and progressive energy bill as quickly as possible.

Mr. GLENN. Mr. President, I rise today to cast my vote against the motion to proceed to S. 1220, the National Energy Security Act of 1991.

Mr. President, I strongly believe it is critical to our national security, our continued economic growth, and our competitiveness abroad for our Nation to have a comprehensive energy policy that decreases overreliance on imported oil. I also strongly believe that S. 1220 is the wrong bill and the wrong approach to achieving these objectives.

I support an energy policy that promotes energy conservation, encourages energy efficiency, and furthers the development and use of alternative fuels and renewable energy sources. These energy goals can be met while protecting the environment and providing fairness to consumers. S. 1220 attempts to lead us into the future with the energy policies of the past—more energy production and more damage to the environment. We cannot reduce long-term dependence on foreign oil simply by greater exploitation of nonrenewable energy resources.

Mr. President, I also have serious reservations about a number of the specific provisions in S. 1220. I am not convinced that changes in the Public Utility Holding Company Act [PUHCA] will provide either sufficient consumer protections nor will result promised competitive benefits. I am also troubled by the elimination of Federal jurisdiction over the majority of hydroelectric projects. Further, I am concerned about changes in the procedures for nuclear licensing.

Mr. President, the energy policy we develop will touch the lives of every American now as well as the lives of future generations. We need an energy policy with a long-term goal, not a short-term fix. We need an energy policy that recognizes the fragility of our environment and the limitation of nonrenewable resources. S. 1220 is simply not the legislation to accomplish these objectives. I urge my colleagues to join me in opposing cloture on the motion to proceed to this bill.

Mr. REID. Mr. President, I rise to commend the chairman and ranking minority member of the Energy Committee for their diligent efforts to report a comprehensive energy security bill. The committee expended considerable effort to develop this encompassing measure.

Many characterize our current energy policy as nonexistent. Others claim our policy is to have access to as much oil as we want at the lowest price for as long as we can. The Middle East is the source of well over half the world's known oil reserves and it's the cheapest in the world to produce. Because energy is such a central feature of the economy, it is virtually impossible to resist using the most economical source of energy, however unreliable it might be. Critics believe this proposal does very little to promote conservation, renewable and alternative energy sources; claiming the bill is weighted too heavily toward fossil fuel production.

Mr. President, I believe something for everyone can be found in this proposal. The massive proposal contains 16 titles, including provisions to address fuel economy, alternative fuels, renewable energy, energy sufficiency, oil drilling in the Arctic National Wildlife Refuge, advanced nuclear reactors, nuclear plant licensing, uranium enrichment, natural gas development, offshore drilling, research and development of coal and other energy technologies, promotion of power-generating business, and shortfalls in the strategic petroleum reserve. And, it is primarily for this reason that I must vote against cloture. Unfortunately, there are provisions of the bill that have been developed without input and consideration by the approprate committees of jurisdiction.

For example, the Clean Air Act and the National Energy Policy Act are affected by provisions contained in S. 1220. The Clean Air Act and NEPA clearly fall under the jurisdiction of the Environment and Public Works Committee.

In some instances, the bill's directives are actually contrary to the actions of other committees. As my colleagues are aware, the energy security bill would allow the Federal Government to lease drilling rights along the Arctic National Wildlife Refuge. During the 100th Congress, the Subcommittee on Environmental Protection held hearings on the future management of the Arctic refuge in December 1987 and February 1988. In the 101st Congress,

Arctic refuge wilderness legislation again was introduced and referred to the Environment and Public Works Committee. On October 17, the Environment and Public Works Committee reported legislation to designate the Arctic National Wildlife Refuge's coastal plain as a unit of the National Wilderness System. Matters relating to wildlife refuges are under the purview of the Environment and Public Works Committee.

This legislation also streamlines the licensing procedures required to build and operate a nuclear powerplant. The nuclear licensing process has received considerable attention in the past. In 1990, the Subcommittee on Nuclear Regulation held a series of hearings examining the various safety, economic, and policy obstacles affecting the future of nuclear power in this country. Streamlining the reactor licensing process was considered at these hearings. In fact, a hearing on proposals to change nuclear plant licensing procedures was held in May by the chairman of the Subcommittee on Nuclear Regulation of the Environment and Public Works Committee. Current licensing procedures, created by the Nuclear Regulatory Commission, are undermined by the provisions contained in S. 1220. The issue of nuclear licensing falls within the jurisdiction of the Nuclear Regulation Subcommittee.

Of course this is a comprehensive proposal, designed to address the various shortcomings in what some believe to be a nonexistent energy policy. Nevertheless, I have misgivings about several of the bill's provisions and believe we should not proceed.

Mr. KOHL. Mr. President, in the debate over S. 1220 and national energy policy, proponents of this bill frequently cite the need to fully develop this Nation's domestic resources—namely fossil fuels—in order to reduce our growing reliance on foreign energy supplies. And I agree that we should encourage reasonable development of our Nation's domestic resources. But finite supplies of fossil fuels are not the solution to our long-term energy needs. Instead, I believe this Nation should begin to rely on another domestic resource which we have in abundant supply: American intellect and ingenuity.

I will vote against the motion to proceed to S. 1220 because I believe that we, as a nation, can do better. This legislation asks the Nation to accept the status quo, as if it were inevitable. It attempts to appease our increasing appetite for oil, rather than attempting to cure our addiction. It takes the easy way out, rather than challenging our Nation to make sacrifices and aspire to real solutions.

Mr. President, as we have heard many times in this debate, our Nation truly needs a comprehensive energy policy. The current situation is intolerable, and will only become worse unless our energy habits are drastically changed. America's continued reliance on oil and other fossil fuels threatens our national security, our environment, and our global competitiveness. The recent war in the Persian Gulf has shown that our addiction to oil carries a very high price.

Proponents of S. 1220 argue that increased development of our domestic oil reserves will help free America from dependence on foreign supplies in the Middle East. Proponents of the bill would have us believe that drilling in the Arctic National Wildlife Refuge [ANWR] will make our Nation more energy self-sufficient.

But the facts would tell us otherwise. The Middle East has proven oil reserves totaling about 660 billion barrels, versus 26.5 billion barrels in the United States. Even if the optimistic assumptions about oil in ANWR prove correct, domestic reserves would grow by only 3.2 billion barrels—hardly enough to make a real difference. To look at it another way, the United States currently imports about 50 percent of the oil we consume, and that percentage keeps climbing. Even if substantial quantities of oil are found in ANWR, we will reduce dependence on imported oil by only 1 or 2 percentage points—a mere drop in the bucket.

So let us stop fooling ourselves. Clearly, we cannot drill ourselves out of dependence on foreign oil. The longer it takes us to understand that, the more painful it will be when we make the inevitable transition to new energy supplies. Rather than wait for the next crisis, we must begin now to reorient our energy habits. Rather than wait until oil cartels raise prices and devastate our economy, or until another political upheaval in the Middle East threatens our oil supplies, or until our environment is hopelessly destroyed, we should begin now to plan for a dramatically different energy future.

Some proponents of this legislation would ask us to believe that there are no realistic alternatives to fossil fuels, at least in the immediate future. They tell us that we must resign ourselves to the reality of oil addiction, and simply minimize the consequences of our addiction by increasing domestic production. They would have us believe that we must accept the destruction of ANWR, a unique and fragile ecosystem, for the short-term benefit it would provide. And I do mean short-term: Average estimates of the oil which may lie beneath ANWR would supply America's oil needs for only 200 days.

But there are very realistic alternatives to the development of ANWR. Recent advances in solar and wind energy technologies are extremely promising. I am convinced that if the leaders of this Nation would make a serious commitment to renewable energy and conservation, we could begin to move away from our dangerous dependence on fossil fuels. I believe that if we were to challenge this Nation's best minds to the development of reliable and cost-effective alternative energy supplies, the challenge would be met. And if we as a nation were to back our commitment with adequate financial resources, we would meet the challenge sooner rather than later.

Furthermore, if we act early to encourage development of alternative energy technologies, American companies could gain an edge over their foreign competitors in this promising industry. By helping our companies take the lead in the world market, we would create millions of new jobs and improve our balance of trade. On the other hand, if we do not act quickly, our competitors will corner the market on lucrative energy technologies, and Americans will lose out on a tremendous opportunity.

It is time we started challenging the American intellect and ingenuity, rather than taking the easy way out. As former Energy Secretary James Schlesinger pointed out in a recent speech, it is easier for this country to fight a war in the Persian Gulf than to tighten our belts here at home and conserve energy. I believe that we can do better.

For example, S. 1220 overlooks one of the most obvious sources of energy conservation: the corporate average fuel economy [CAFE] standards. Moderate increases in automobile fuel efficiency would drastically reduce our need for foreign oil, and more than offset any oil which might be found in ANWR. New and emerging technologies will be capable of making our cars more fuel efficient without making them smaller. Yet S. 1220 does not require any increase in CAFE standards.

In addition, greater energy conservation in our industrial sector would help our Nation compete in the global economy. Some of our competitor nations use half as much energy per unit of GNP as does the United States. By conserving energy, our competitors reduce production costs and beat our manufacturing prices.

It is time we started listening to our children and grandchildren, who are growing up in an era of environmental awareness. We should teach them that there are values worthy of sacrifice. We should show them that we are considerate enough to protect this Nation's last wholly intact ecosystem for future generations and for dependent wildlife. And we should show them that we will not accept mediocrity, but will challenge ourselves to do better.

Mr. President, as I said before, this country desperately needs an energy policy. But we should not accept an energy policy which promotes business as usual, and is premised on the development of the Arctic National Wildlife Refuge. While there are some good con-

servation and renewable energy provisions in this bill, they are overwhelmed by other provisions which promote development, particularly in ANWR.

Therefore, I am opposed to S. 1220, and will vote against cloture on the motion to proceed to the bill. I urge my colleagues to oppose the bill, and to stand up for an energy policy which truly promises self-sufficiency, American competitiveness, and the environment.

Mr. SANFORD. Mr. President, let me first say to my colleagues that I hope to see this body approve a truly visionary national energy strategy. This should be an exciting time for the U.S. Senate, a long-awaited time when we can say to the American people that business as usual is not good enough, not good enough for the future economic and social well-being of our citizens, and not good enough for our fragile environment. We have an opportunity to guide this Nation into the next century and away from our addiction to polluting and finite fuel sources.

I have been very popular over the last several weeks with the scores of groups attempting to predict my vote on cloture on the motion to proceed. To be frank, this has been a difficult decision for me. This Nation needs a comprehensive energy strategy and they need it as soon as possible. And, I believe the Energy Committee measure has some very responsible provisions; the committee worked long and hard on this bill and I am not prepared to dismiss their efforts.

Mr. President, I do, however, believe that S. 1220 needs more than just a few cosmetic changes. I am not prepared to consent to what promises to be a very divisive floor fight over a measure which might better be dealt with in the spirit of compromise off the Senate floor. There is no question that serious differences exist between Senators on this bill; differences that have not seen the light of compromise to date, and differences that could hold this body hostage for many days, and even weeks, to come.

One concern with S. 1220 that I have expressed to many of my constituents and colleagues involves the issue of reforming the Public Utility Holding Company Act. While this act may require updating, I am convinced that the method of deregulation suggested in S. 1220 will neither benefit the consumer nor properly address our need to encourage conservation and renewable power generation.

I cannot help looking back to the Clean Air Act debate last year. We had a somewhat analogous situation to what we see before us today. After a minority group of Senators prevented that measure from coming to the floor, the bill went to the negotiating table, was dissected, debated, and altered, and reemerged as a stronger bill which finally represented the consensus of the Senate.

S. 1220 is an extremely complex and broad piece of legislation. Its implications are extremely important to the future quality of life in America. It is not a bill that should be shoehorned through this body, but one that should receive the honest review of every Member. Therefore, Mr. President, I must oppose cloture.

Mr. RUDMAN. Mr. President, I rise today to discuss S. 1220, the National Energy Security Act of 1991. Like many of my constituents from New Hampshire, I have serious reservations about certain provisions included in this legislation. However, I will support the motion to proceed to consider the bill although I have not reached any conclusions as to the merits of the overall package. I believe that a full debate on national energy policy would be beneficial not only for ourselves but also for the American public. I should note that I reserve the right to vote against the bill, and against cloture on the bill, at a later point in the debate.

It has been over 18 years since this country has addressed a comprehensive national energy strategy. For years the energy debate has focused on the fact that we lack a coherent national strategy. Simultaneously, figures of foreign oil dependency has continued to rapidly escalate. In the 1970's, U.S. consumption of foreign oil was at 38 percent and it has now risen to 50 percent. We are the world's largest oil consumer and at our current rate of consumption, we will be importing 70 percent of our oil within 20 years. Mr. President, coming from New England where the energy dependence on imported oil is the highest in our Nation, I am well aware of the problems this can cause. Unfortunately, we did not learn the lesson of successful conservation even after the Arab oil embargo of the 1970's. It took American troops deployed on Saudi Arabian soil to demonstrate the risk that the United States faces in terms of future economic prosperity, international competitiveness, and national security.

As I stated earlier I have serious concerns about S. 1220. As a cosponsor of S. 279, the Motor Vehicle Fuel Efficiency Act, I am disappointed that there are no strong provisions mandating an increase in the corporate average fuel economy, or CAFE, standards. In as much as 60 percent of the oil consumed in this country is used by the transportation sector, over half of that by automobiles, we have to make this sector of the economy more efficient. Increasing new car fuel efficiency could save as much as almost 15 billion barrels of oil by the year 2005, or 2.8 million barrels of oil a day and more thereafter. By contrast, total daily oil consumption is now nearly 17 million barrels per day. Such savings would reduce our dependence on foreign oil, keep CO_2 emissions down, relieve pressure on the foreign trade deficit—one-third of which is attributable to oil—and greatly help the U.S. economy. I believe the adoption of meaningful CAFE standards are a necessary component of any national energy strategy.

I recognize the concern over whether to allow oil exploration in Alaska. This decision has important economic and environmental implications for our country, and I have yet to decide how I will vote on it. However, views on this as well as other matters need to be fully debated and voted on while considering the bill; it should not be discussed under the parliamentary restrictions of a motion to proceed.

In closing, today we have the chance to openly debate a matter of extreme national significance. We should not shy away from this opportunity. I am hopeful that we can proceed on this matter, have a healthy discussion, and resolve the future of the Nation's economic and national energy security.

Mr. DODD. Mr. President, procedural votes in the Senate are often mistaken for substantive positions on legislation. Given the strong feeling on S. 1220, the National Energy Security Act, I just wanted to take a few moments to explain my vote in favor of the motion to proceed to the bill.

Had the vote today been an up or down vote on S. 1220, I would have registered my vote with an emphatic "no." I would not and could not have supported S. 1220 in its current form.

I cannot support a bill that has as its centerpiece the opening of the Arctic National Wildlife Refuge. To open this pristine Arctic Wilderness to drilling for oil and gas, which only has a less than 50–50 chance of succeeding, is poor policy that strikes the wrong balance between conservation and production.

I also could not support an energy policy that did not include tough new corporate average fuel economy standards. A balanced policy must address our growing consumption of oil; and vehicle fuel use accounts for over 60 percent of our Nation's oil use. Adoption of the Bryan bill, of which I am a cosponsor, would have been a major step forward in reducing our dependency on foreign oil.

I am also uncomfortable with title XV of S. 1220, the title to reform the Public Utility Holding Company Act. While PUHCA was not an issue of significant focus in the debate today, I have chaired several hearings on this subject and have been working with the Connecticut Department of Utility Control as well as with environmental, consumer, and industry groups in an effort to craft amendments to address serious deficiencies in this title.

There were other titles in S. 1220 of grave concern to me—the provisions affecting the licensing of nuclear plants and those affecting the regulation of

hydropower plants, changes in the management of our Outer Continental Shelf, and policies affecting imports of Canadian natural gas. I planned to focus my efforts on addressing these and other problems, making the necessary chances and crafting a sound energy policy for our Nation.

With these fundamental concerns about this measure, many will ask why I supported cloture on the motion to proceed. My procedural vote today was a plea to begin meaningful discussion on this most important and vital issue.

Mr. President, this Nation has gone on for far too long without a national energy policy. I look back at my statements and those of others in January of this year and am reminded how crucial this issue is to our Nation and its future. It is clear we need to explore how we can best protect our environment while, at the same time, move forward to make our Nation more energy independent. I was hopeful that this undertaking would begin today, and that I could play a meaningful role in this process. However, that task will now await us on another day and I look forward to working with my colleagues on this vital issue.

Mr. SPECTER. I am voting for cloture today on the motion to proceed to consideration of the energy bill because I believe the full Senate ought to have an opportunity to debate national energy legislation. While I fully respect the position of those environmental groups who opposed cloture on the motion to proceed, I believe the issues warrant consideration by the full Senate.

I believe the vast majority of us in this Chamber are in agreement that this country is in urgent need of national energy legislation. Earlier this year I introduced S. 326, a bill which promotes greater energy efficiency through implementation of a number of reasonable and achievable conservation measures. While it was my hope that the Energy Committee would move quickly on a package of conservation measures which included provisions from my bill, it became clear early on that these vital issues were going to be held hostage to the more controversial issues relating to national energy policy.

The result of this stalemate is that we are faced today with the prospect of a filibuster on the motion to proceed to consideration of S. 1220, the National Energy Security Act of 1991. Many of the provisions from my bill such as least-cost planning for utilities, Federal energy management incentives, and home energy rating systems have been included in part in S. 1220. Although I would prefer to see issues such as energy efficiency standards debated separately, I recognize that in the near term they will only be considered as part of more comprehensive energy legislation.

Mr. President, in addition to the energy efficiency provisions, I believe S. 1220, as drafted, contains a number of important initiatives that are essential to helping our country achieve energy independence. At the same time I recognize that this bill contains a significant number of controversial provisions, many of which require significant modifications before I will be in a position to support passage of the legislation. Nevertheless, the Senate must be able to debate these and other issues openly on the floor so that we can more fully determine if a compromise is attainable. For these reasons, I cannot support a filibuster of the motion to proceed.

Mr. President, those of us who recognize the need for a new national energy strategy must bear down and try to work our way through the problems blocking agreement on a comprehensive energy strategy. As we saw with consideration of the Clean Air Act Amendments of 1990, if there is sufficient will to enact much needed new energy laws, then we should be able to bring such matters to the floor and forge a compromise on those issues which still provide controversy. My fear is that if this filibuster succeeds, it may cause us to lose the only chance we will have in the near future to reconcile tomorrow's energy needs without diminishing natural resources.

•Mr. KERREY. Mr. President, I would like to express my opposition to the motion to invoke cloture on the National Energy Security Act of 1991.

I have chosen to vote no because the legislation before us does not provide a balanced long-term energy strategy. Balanced legislation would not only reduce our dependence on foreign sources of energy. It would also provide a serious plan for making us more efficient in our use of energy; it would provide a greater boost for domestic clean burning, alternative, and renewable sources of energy; and it would be an investment in our economic future. I also oppose the legislation provision opening up the Arctic National Wildlife Refuge's coastal plain to oil and gas drilling. Further, I was disappointed by the legislation's weak provision addressing motor vehicle fuel efficiency.

I would also like to highlight the tremendous opportunities in the area of efficiency that any comprehensive energy strategy should promote. In recent years there have been great strides in demand side management by utilities directed by encouraging consumers to use less energy and use it more efficiently. We should encourage such efforts and harness the power of the market to help us achieve our goals. There are opportunities in every sector—housing, industrial and commercial, and transportation—to use energy more efficiency and economically, and I believe we need to press forward in each of these areas.

It is important that we develop a national energy strategy that combines both short- and long-term steps to ensure our long-term economic, environmental, and energy security. In developing such a strategy we will need to balance various options and will need to make difficult decisions. I look forward to supporting such efforts here in the Senate.•

CLOTURE MOTION

The PRESIDING OFFICER. All time has expired. Under the previous order, pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will report.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to the consideration of S. 1220, a bill to reduce the Nation's dependence on imported oil, to provide for the energy security of the Nation and for other purposes.

Bennett Johnston, David Boren, Lloyd Bentsen, Daniel Inouye, Kent Conrad, John Breaux, Jeff Bingaman, Malcolm Wallop, Pete V. Domenici, Larry Craig, Steve Symms, Don Nickles, Richard Shelby, Alan Simpson, Trent Lott, Orrin Hatch.

CALL OF THE ROLL

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

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on the motion to proceed to consideration of S. 1220, the National Energy Security Act of 1991, shall be brought to a close.

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

The assistant legislative clerk called the roll.

Mr. PELL (when his name was called). Mr. President, on this vote, I have a live pair with the junior Senator from Nebraska [Mr. KERREY]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "aye." I withhold my vote.

Mr. FORD. I announce that the Senator from Oklahoma [Mr. BOREN], the Senator from Nebraska [Mr. KERREY], and the Senator from Pennsylvania [Mr. WOFFORD] are necessarily absent.

On this vote, the Senator from Rhode Island [Mr. PELL] is paired with the Senator from Nebraska [Mr. KERREY]. If present and voting, the Senator from Nebraska would vote "nay" and the Senator from Rhode Island would vote "aye."

Mr. SIMPSON. I announce that the Senator from Texas [Mr. GRAMM] and

the Senator from Vermont [Mr. JEFFORDS] are necessarily absent.

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

The yeas and nays resulted—yeas 50, nays 44, as follows:

{Rollcall Vote No. 242 Leg.}

YEAS—50

Akaka	Dole	Murkowski
Bentsen	Domenici	Nickles
Bingaman	Ford	Nunn
Breaux	Garn	Packwood
Brown	Gorton	Pressler
Bumpers	Hatch	Pryor
Burns	Hatfield	Rudman
Byrd	Heflin	Seymour
Coats	Helms	Shelby
Cochran	Inouye	Simpson
Conrad	Johnston	Specter
Craig	Kassebaum	Stevens
D'Amato	Kasten	Symms
Danforth	Lugar	Thurmond
Daschle	McCain	Wallop
DeConcini	McConnell	Warner
Dodd	Mitchell	

NAYS—44

Adams	Gore	Mikulski
Baucus	Graham	Moynihan
Biden	Grassley	Reid
Bond	Harkin	Riegle
Bradley	Hollings	Robb
Bryan	Kennedy	Rockefeller
Burdick	Kerry	Roth
Chafee	Kohl	Sanford
Cohen	Lautenberg	Sarbanes
Cranston	Leahy	Sasser
Dixon	Levin	Simon
Durenberger	Lieberman	Smith
Exon	Lott	Wellstone
Fowler	Mack	Wirth
Glenn	Metzenbaum	

PRESENT AND GIVING A LIVE PAIR, AS PREVIOUSLY RECORDED—1

Pell, aye

NOT VOTING—5

Boren	Jeffords	Wofford
Gramm	Kerrey	

The PRESIDING OFFICER. On this vote there are 50 yeas and 44 nays. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

Mr. BAUCUS. Mr. President, I move to reconsider the vote by which the motion was rejected.

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

The motion to lay on the table was agreed to.

Mr. JOHNSTON addressed the Chair.

The Senator from Louisiana is recognized.

Mr. JOHNSTON. Mr. President, in case anyone wants to know what this vote means, it means we lost. I congratulate those who formed a very strong phalanx against this bill. I think this means that the approach—you know, sometimes I am slow to learn, but I have learned that the approach of the Energy Committee in this bill is not the will of the Senate, or at least it is not the will of 60 Senators.

It is my thought at this time that we will not try cloture again, although, at the invitation of the majority leader, we will come in to talk about where we go from here.

I fear, I really do, that where we go from here is where we have been. But I will certainly work to try to pull together a bill.

I must say that, while I lost, and I hope lost graciously, I certainly have great admiration for those who fought the fight. The environmental groups, I must say, wrote the textbook on how to defeat a bill such as this, and my admiration is to them for the political skill which they exhibited. Not only the environmental groups, but the automobile companies, and some of the utilities and what we call the "just say no's." They pulled together a tremendous phalanx, which was very effective.

We tried to do the same thing, Mr. President. That is what democracy is about. You get those who are supporting your view, and you go out there and call the other side special interest, and you get your groups and try to get your votes, and we did not get enough votes. We understand that. I must say that I would not have done it any differently.

Our staff on the Energy Committee, I think, is truly, truly extraordinary. Not only was their effort tremendous in terms of the energy and application which they put to it, but the level of skill and the level of dedication was great.

We think—at least we tell ourselves, those of us who are for this bill—that we are doing the right thing, for the right reasons, in the national interest, and not in a narrow, partisan, parochial, special interest way. I think we were. I adhere to that view. I am sorry that we did not have a right or the ability to explore alternative means of having this bill considered. Perhaps there is someone who will meet with us and with the majority leader that can find an alternative method to come to some kind of consensus on national energy policy.

Mr. President, we may have defeated comprehensive national energy policy here today, but we have not defeated the problem. The problem remains. It has been this way for 19 years. Every time we try to do something, we say "not this, something else." We say, "Not the Energy Committee; go to the Finance Committee and get taxes."

Well, I await somebody else's solution. We have done our best, and I give my congratulations to those who, at least at this point in the game, won the fight.

Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I want to recognize and congratulate the efforts of the Senator from Louisiana, the chairman of the Energy Committee. This, I believe, is just one chapter in a series of efforts that we will undertake to write a sound energy policy.

It is not my view—and I know it is not the view of others who are in opposition to the cloture motion—to stop an energy bill. We now have an opportunity to sit down with the chairman of the committee, and with other Members of the Senate who are interested in fashioning energy policy, so we can get on with it, and so that we can begin in our country to in fact adopt an energy policy which does address America's unfortunate dependence upon foreign sources of oil.

I want to thank the chairman of the committee for basically deciding that he would not proceed, if I understand it, with another cloture vote, so we can get on with a sound, balanced policy. I thank the chairman again for his efforts.

I want to thank the others in the Senate who have worked so hard to fashion a sound energy policy. But the point I want to underline is this: We do want to work with the chairman and other Senators, and we pledge our efforts to do so, so that we can develop an energy policy that makes sense for America.

Mr. WIRTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. WIRTH. Mr. President, I believe our work has just begun. This was the political side of the job that we have done over the few days and weeks in counting votes. We now move on to the substantive side of the job.

I look forward to working with the distinguished chairman of the Energy Committee, who, as I have said, was enormously forthcoming in so many provisions of this legislation, which I think are good, and I think can be made better.

More important, I think we have made a couple of statements about the two enormously contentious issues in this bill. One of those is corporate average fuel economy. The other is whether or not we should open the Arctic National Wildlife Refuge. I hope that now we can proceed on an overall energy bill, knowing that those two ought to be set aside. Those have been sort of bookends of this bill. We ought to set them aside, do them individually, and then do the overall energy bill. I think we have that opportunity.

I think, also, it is useful for all of us to remember that there is a very good model for this. We had a clean air act that came to the floor out of the Environment and Public Works Committee, and it was very clear that there were not enough votes to break a filibuster. So that bill got worked out, and we ended up with, I think, a very good piece of legislation.

If we can look at that as a model and understand that that kind of constructive history can be used by us here, we can be back very quickly and have an overall energy bill.

I thank the distinguished chairman of the full committee, who put his heart and soul into this, as few people

can do. We all know how dedicated and tenacious Senator JOHNSTON is and can be. We saw him doing that, and I have enormous respect for that. I hope we now join forces with everybody's efforts and have an overall energy bill.

I yield the floor.

Mr. WALLOP addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. WALLOP. Mr. President, I, like the chairman, am as full of admiration for the organizational skills of those who rose against this bill. I am less full of admiration for some of those Senators who came to me seeking deals on this side, saying, "If you do that, then we can do that."

I am in agreement with the Senator from Montana that this is just one chapter, but it is the same chapter we have always written. It is the same chapter since 1969, Mr. President. Senator JOHNSTON has been in the Senate longer than I—19 years to my 15. I have seen us tie up energy policy in the past, and I have seen us do what is being asked of us now, to do that which is easy, and that which is popular, and that which special interest groups surround; and the result will be, as the result has been: A distorted national energy program which, necessarily, drives the market to the bubble of political expediency. That is where the least resistence is.

So the only opportunities that we had in here to provide markets, expand uses for America's natural gas, to provide funding for technology to advance us well above other nations of the world and new energy uses, technology, and conservation, will be denied.

The distortion is absolutely going to be real. There is no better example of how the distortion works in energy policy than the decision "sometime ago" to deregulate new gas on the thesis of the then-Secretary of Energy that we had discovered all the gas in the world and our job was now but to democratize the misery of using up what we knew of and, therefore, there was no risk in deregulating new gas.

They did. And guess where all the gas that comes from the country right now has been discovered after that deregulation of new gas? But in the meantime old gas remains regulated and we have all these ridiculous things that drive us here to take-or-pay contracts. We had, by law, to break contracts in America.

Another wonderful thing was the Synthetic Fuel Corp., built out of a tax revenge because oil companies were making money in the old days of an embargo.

So we got synthetic fuels and wasted many, many dozens of billions of American's dollars, and we had tax credits for wood-burning stoves which are now not allowed in parts of the country because of clean air problems.

What we have done today is simply deny ourselves the chance to deal and debate with energy policy that is balanced between conservation and production.

We are not mature enough in America yet. We heard lots of people saying "no blood for oil," also the ones saying "do not drill for oil."

Mr. President, I trust the sincerity and the judgment of the chairman. He is my friend and we have worked together. This was a bipartisan bill. Our staffs worked well, and the committee worked well. There was nobody in the committee whose interests were run over. This was not some subterranean plot that some suggest we now engage in and go in the back room and decide what things are going to be with four or five Senators and a little bit of staff.

This was done in the full light after dozens and dozens of hearings. It was done in front of the public. It was done in front of the press who sat at the table. It was done with the full cooperation of the chairman with the press who answered their questions day after day and who sought not to distort the issue as those who aligned against this did, showing pictures of Colorado as though they were the Arctic National Wildlife Refuge.

We are not mature enough. We have not reached the state of maturity in this country where we can deal with energy policy and ignore, for a change, the special narrow interest and look at the broader public interest. Those groups who call themselves public interest groups and the public they serve might well be in Baghdad as in downtown America.

I say again that these folks who have denied us are content to line the pockets of foreigners with Americans' hard-earned silver, jobs that we have, none of whom are going to hire American, none of whom are going to pay a penny's worth of taxes, none of whom had the interest that was contained in this bill to pay for the research and the development into the new energy technologies of the future.

There is no silver bullet, Mr. President. None is going to be found by the new chapter of which the Senator from Montana speaks. Energy policy requires every bit of energy resource, conservation, technology, and innovation that we can use to lessen our dependence.

The futile, silly arguments that, because there were only 200 days of oil in ANWR meant that we should not drill, it got down to this: Why in Heaven's name should any Senator have eaten breakfast this morning? He will only be hungry by lunch. Using that logic, Mr. President, no oil field in America—but perhaps one in Texas—would have ever been drilled. No one coal mine is going to provide all of America's energy needs. No one oil field is going to. None of our uranium resources are going to provide all of America's energy needs. None of the natural gas by itself in a field is going to provide all the natural gas that America needs.

Energy policy is part of a composite whole which requires heavy efforts at conservation, heavy efforts at tertiary recovery, heavy efforts at new production, heavy efforts at nuclear, heavy efforts at electric battery research and biomass fuels, and all of these things. No one of these fuels is going to solve our problem and no amount of envy that somebody else is doing something that somebody else is not doing is going to solve our problem.

No, Mr. President. We had thought, the chairman and I—his leadership brought us here—that maybe for a moment we had reached a level where this country's attention could be focused on its energy crisis. We were wrong.

I guess I do not know what it takes. It is hard to deal with energy policy in a crisis because everybody then wants revenge, somebody is making a profit, because everything else is short. I do not know what happened to the State, of the Senator from Ohio, which had to shut down factories and schools in the last natural gas crisis.

There is just nothing to it now; that is forgotten. There is no means of unburdening the transportation system for natural gas; no means of providing the new markets that it could supply, and no means of providing the competition and the electric-generating industry that it could supply.

So what the Senate has done today is to say, in many respects, those few little groups are willing to speak for all of America and not even allow this country to debate—in front of all Americans—the policy that could begin to relieve the desperate dependency we are developing. And nothing that was done by defeating this day is going to lessen American's dependence on oil, foreign and domestic; in fact it enhances dependence. Those that feel good about that I congratulate. This Senator does regret deeply this minority thwarted the will of the majority to even debate the American energy future.

The PRESIDING OFFICER. The Chair recognizes the Senator from Alaska.

Mr. STEVENS. Mr. President, I follow up on what the Senator from Wyoming has said concerning the minority here. It is not a partisan minority. It is a minority of do nothings and know nothings who want to stop even the debate over what we should have in a national energy policy.

Having stood here now through three separate areas of debate over energy policy, two of them led by my late good friend, the Senator from Washington, Scoop Jackson, and now this one commencing with the leadership of the Senator from Louisiana, I think some of those do-nothing, know-nothing Senators here ought to read a little bit of history.

When we first started out, we were worried about petrodollars that were leaving our country because we had increased our dependence on foreign oil to about 20 percent. Then by the time we got to the second go round, the dependence on foreign oil was about 30 percent; in the last year alone it has gone up 10 percent more. We are at 50 percent. By the end of this decade, we will exceed 65 percent in terms of importing our energy.

Some of these people seem to think that by conservation alone they can create more supply to meet the demand. Our demand is increasing. We now have the large majority of women in the work force. Instead of just one family car going to work, there are two in most instances, and beyond that there is probably another car for the children. That is the America lifestyle.

These do nothing, know nothings are going to say to those working couples you cannot have a car, and what is more you cannot leave behind you in your home the electric washer and the dryer and the coffee pot that comes on because it can be set and be automatic. All of these lifestyle improvements of the United States are energy intensive. And if we are to preserve our lifestyle we must find a new energy policy.

My State has half the coal of the United States. It probably has more than half of the remaining oil of the United States. Yet these do-nothing, know-nothings are drawing lines around the land in my State on a map and saying you cannot use that land, land that is there that God gave us that gives us the resources for the future.

These same people are saying, oh, no, you cannot go into oil shale. They are saying you cannot open coal. They are now saying we cannot even reexamine nuclear policy. They are spelling the doom of this country in terms of our current lifestyle and the projected hopes and dreams for our children.

But even what is worse, as the Senator from Wyoming has said, they are unwilling to even debate it. I told the Senator from Colorado I am looking forward to this debate. As a matter of fact, I hope to undress many of his theories but he is unwilling to debate. He is unwilling to bring it up and face the facts.

I believe there is still a majority of the people here in this Senate that will favor the opening of ANWR for oil exploration before we are through. The minority of the Senate has stopped that.

I believe there is majority sentiment in the Senate to work out new CAFE standards that will not kill the American industry. There is a minority out here that says, "No, you are going to take our bill or nothing." There is another group here that says we need to reform our utility policy, and they are unwilling to accept the solution in this bill, so unwilling they will not even debate. This has been a coalition of do-nothing, know-nothings on a series of issues. There is no majority issue opposition here to ANWR.

If there is, it comes from a political minority on the other side of the aisle. And I look forward to seeing that exposed, because I think it is an opening wedge of the 1992 campaign on what should be the energy policy of the United States.

I am willing to stand with the President of the United States on that policy. I believe he has some of the answers. He has proposed them several times and the Congress is unwilling to address them. When he gets out on the campaign swings next year, I hope he raises them again. Because I believe those couples who are going to work want to drive that second car. I believe they want their children to have cars. I do not believe they want them to have aluminum that will collapse every time there is an accident.

Mr. President, this Senate has now said no to even debating an energy policy—even debating it. If that is some sort of success, you know, I welcome it. It sounds to me like the days of the know-nothings. We are going to hear it time and time again in this Congress. And to me it is going to enlighten the elections for the coming two or three Senate elections.

This Senator intends to go throughout the country and try to inform some of the people of this country of the duplicity of some Senators here: Senators who had introduced bills as far as their own State is concerned that would preserve energy development, would preserve mining development. But if another Senator introduces a bill for that same treatment in their State, they raise the ire of the extreme environmental movement of the country.

The Senator from Louisiana congratulated the extreme environmental movement for political astuteness. I say they are misusing the tax laws. They are misusing the money that has been given them to try to help preserve the environment. They are using it for political purposes.

Before this debate is over, we are going to do everything we can, everything we can, to see to it that that comes about. That debate is one that I look forward to entering into. It is going to be a tough debate.

I am tired of this soft-shoeing on this issue. I only wish that some of those who have been here before—the great Senator from Washington, the great Senator from Nevada, Senator Bible, and others who approached this in a bipartisan manner—were here. that is my last comment.

If the Democrats of this body think they can sit down and devise a national energy policy all alone, be my guest. It is a bipartisan policy the country needs and the country wants, and it is not one dictated by a few extremists who are unwilling to do anything but stick their heads in the sand.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Ohio.

Mr. METZENBAUM. Mr. President, I will be very brief. I will not address myself to the substance of the legislation but rather to the substance of the Senator from Louisiana.

I do not know any Member of the U.S. Senate who has tangled more often than I have with the Senator from Louisiana. He comes from an oil-producing State. I come from a consuming State. But, with no exceptions, he has always been a gentleman, able legislator, captain of a team that operates astutely, with integrity, with dignity.

Although we have had a victory today in defeating the cloture motion, I just want to say to my friend and colleague that the Senate is better off by reason of his being here, and I respect him. I think that I speak for many of us who were on the prevailing side today when I say that he is an able legislator and does his job well.

Sometimes we win out here and sometimes we lose. I hope that, before this entire energy issue is concluded, we will be able to come together and work out a piece of legislation or several pieces of legislation that will serve this country well. I congratulate the Senator.

Several Senators addressed the Chair.

The PRESIDENT pro tempore. The Senator from Alaska.

Mr. MURKOWSKI. I thank the Chair.

First, let me commend Senator JOHNSTON, the Senator from Louisiana, for the commitment that he has made over an extended period of time, well over a year. I have been on the Energy Committee since coming to the Senate in 1980. As a consequence of that dedication and the dedication of the minority through Senator WALLOP, we went through some very, very difficult discussions to try and formulate a compromise.

I think the committee staff on both sides has made significant contributions in the process of developing that compromise.

Well, we have killed in 3 days an effort that took over a year to develop. We have killed it, Mr. President, with no compromises, and no alternatives. One is reminded of a child building some blocks and somebody just coming along at the last minute and kicking them down.

And now we hear our colleagues say, "Well, let us go back and pick it up. We can address the difficulties with CAFE. We can address the difficulties with nuclear. We can address the difficulties with ANWR."

Do you know what we have here, Mr. President? We have, first of all, a jurisdictional dispute between two committees. Make no mistake about it. We have heard it. We watched the debate. We watched the filibuster formulate primarily from members of the Environment and Public Works Committee.

Who are we kidding, Mr. President? Do the American people really think that this body is genuinely committed or capable, either one, of picking up the pieces, the pieces that are so diverse as a consequence of this vote, the pieces that represent the CAFE interests, the automobile industry that is in a decline, that is losing money, and does not want a tough CAFE bill; or the Environment and Public Works Committee that has a Bryan bill demanding 40 miles per gallon which would, for all practical purposes, kill fleet averages from the standpoint of the ability of the American automobile industry to be competitive? Do you expect this body to formulate a bill out of the ashes that would address these extreme concerns? It is absolutely ridiculous. It will not happen.

Nuclear utilities. That issue is an environmental issue. It is a clean air issue. It is a jobs issue. And certainly ANWR, which has been the lightning rod of this whole debate. And the issue has been brought up of a 200-day supply or 600-day supply. We have been through that. The Senator from Alaska is not going to repeat the realities associated with the number of jobs we are talking about in this country.

This bill, Mr. President, this bill, this energy bill, this comprehensive bill, would have provided this Nation with 735,000 jobs, would have made a contribution to the gross national product of this country of $550 billion, and this body has just killed it by a vote of 50 to 44. They have not come up with any alternative. They have simply killed it. And then my colleagues on the other side, in their rhetoric, suggest that we can simply pick it up and go on.

Mr. President, we have been going through this process for not 1 or 2 years. We have been trying to develop an energy policy for this Nation since the midseventies. We have gone through this before. I hope the American people have some type of a reference point to see the progress that we have made.

What galls the Senator from Alaska is the rhetoric that suggests that because we lost on a comprehensive bill today, that we can pick up the pieces and reach a compromise. That is idiotic. It will never happen. The diverse opinions between CAFE and ANWR, and nuclear, and the jurisdictional disputes between the Energy and the Environment and Public Works Committees simply will not allow that to happen. We had a comprehensive bill. We had compromises. And we have seen the consequences.

Well, Mr. President, I think we have to reflect on the significance of what this vote means today. It means that 44 of our colleagues are going to have to bear the responsibility for the Nation not developing a comprehensive energy bill.

I want to thank those 50 Senators that saw fit to recognize that it was in the interest of this body to lay the bill down and begin the debate. I challenge the logic of 44 of my colleagues who saw fit to suggest that they did not want to debate it.

So the bottom line, Mr. President, is they can bear the responsibility to the people of the United States as we look at a declining economy, as we look at an opportunity we had for the most significant contributions to jobs in this Nation.

I do not take that lightly, Mr. President, because it is going to come back. My concluding remark is, OPEC is going to take this message and they are going to say we will simply provide more exports of crude oil into the United States and when it gets up to 70 or 75 percent, then we will start raising the price. But make no mistake about it, they have it figured out. They are going to keep the price low and we are going to continue to import. We are going to have a difficult time bringing on alternative energies because they will not fit the economics without a subsidy, which we could not agree on anyway. So we become more and more dependent.

Then one of these days OPEC is going to look at the United States and say, "Aha, 75, 80 percent? We will just start moving the price up." And I will tell you where those 44 people will be. They will be here saying the public demands that we develop our resources in this country; that we open up striper wells; that we encourage development.

Where are we going to be? We are going to be held hostage because we fought a war. Did we not? And the war we fought was to stop naked aggression. And it was to keep oil flowing. But today that did not work. There was no reference to that.

It is a tragedy, Mr. President. I just hope the American people are not naive enough to believe that the general comments from our colleagues that we can simply pick up and move on with a comprehensive energy policy are realistic because they are not, for the reasons I have cited.

I thank the Chair and I particularly thank the professional staff that has worked so hard, so long, to attempt to make a contribution, a meaningful one, in addressing the Nation's energy security interests which were so deeply, deeply, deeply cut today. I thank the Chair.

The PRESIDING OFFICER (Mr. SIMON). The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, this is a serious moment. Those of us who have worked almost a year to present a package to our colleagues have seen that, for the moment at least, go up in smoke. I do not think we should lose at this moment the respect for our colleague, the chairman of the committee, who has made a truly valiant effort here.

I think it is important, perhaps, to understand the constellation of forces that joined against cloture, because it is an unusual coalition. And those who are watching are perhaps mystified by how we could have a defeat for going forward on a debate on an energy bill.

It is pretty hard to defeat a coalition that is made up of the environmental community, who felt strongly that drilling in Alaska should be off-bounds and the automobile industry, which was strongly opposed to any increase in fuel efficiency; and oddly enough, those who are in favor of the strongest increase in fuel efficiency who were also part of the coalition. So, curiously enough, you have those who are in favor of much stronger CAFE standards opposed to cloture and those who are on the other side of that controversy opposing cloture. In addition, you have about half the utility industry in this country adamantly opposed to cloture on this bill.

If that constellation of forces were not enough, in addition, you had two jurisdictional disputes. You had the Commerce Committee, that had earlier passed out the Bryan fuel efficiency standards, upset that fuel efficiency was in a bill out of the Energy Committee. And then of course you had the Environment and Public Works Committee that I think was unanimous, or close to unamious, in opposition because they, too, have their own view on energy policy.

I want to join in commending those who won this battle. They did a very good job of organizing the necessary votes to prevent cloture. They also waged an aggressive and sincere debate on the floor. I disagree with them, but they have prevailed, at least for the moment.

I do not think we should forget that the challenge remains. We are still 50 percent dependent on foreign crude oil after that vote. We are headed for 75-percent dependence on foreign crude oil if we fail to act. Those are stubborn facts. They mean this country is vulnerable. It is dependent. And we must act.

I have always believed that an increase in fuel efficiency was critically important to an overall energy package. I believed the only way to get an increase in fuel efficiency was a part of a comprehensive package that probably would have to include drilling in Alaska in order to succeed.

I still suspect that is right. I suspect we will not be able to get a significant increase in fuel efficiency absent a comprehensive package, and that is un-

fortunate. But that should not mean that we give up, because this country demands a comprehensive energy strategy and we have the obligation to provide it.

I am disappointed at the result, but I am hopeful that in the hours ahead we can come together and recognize the challenge that remains for our country. We can do that. Over and over I have seen this body at critical times and in critical hours move together to do something that simply had to be done. I hope that occurs again in the coming hours.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I understand the Senate is attempting to go in recess. Is that correct?

The PRESIDING OFFICER. The Chair is not able to provide the answer to that immediately.

Mr. DOMENICI. Let me just say I do not want to use a lot of time, obviously. I heard much discussion on the energy bill, but I felt, having heard most of the discussion, that there were one or two thoughts I might contribute. Last night I happened to flip on television and I saw an American city in bankruptcy, and I saw a receiver appointed to run this city in the northeast of America. And then I saw a series of photographs of the people of the bankruptcy city and a series of photographs about how the bankruptcy city looked.

Then I saw a series of questions, I might say to my good friend, Senator PRYOR. Some questions were directed to the taxpayers as he or she walked down the streets, many of them old, many of the sickly. They were asked, "What are we going to do? You do not want to pay any more taxes, so the firemen are going to be laid off. We are not going to have any policemen."

Then they went over and asked a fireman. "What do you think about this?" And the fireman said, "They ought to pay us." And somebody said, "What happens if they are broke?" And another fireman—said, "It does not matter; we have a contract." And they went to the police department and they said essentially the same thing.

They asked some citizens getting on a bus. They responded, "No more taxes." Even the fireman did not want to pay any more taxes, even though the fireman was losing his job because they were not enough taxes to pay him.

Obviously, in many people's minds, that is not what this issue is about. But, Mr. President, I believe it is. I do not think we ought to discuss an energy bill as an energy bill. I think we ought to talk about it as an economic bill. There is nothing about this country that is closer related to growth, prosperity, and jobs than energy.

I was here when we had the first crisis. A boycott put us in great trouble. And out in America people were saying, one group—probably part of the same group that is opposing this bill today—were saying "Think of it. Think of it," they were saying. "America uses 33 percent of the world's energy." They were running around saying, "Boy we are terrible people—33 percent of the world's energy and we are only 6 percent of the world's population." As I recall, that was what they were saying.

Thirty-three percent of the world's energy; terrible. What they did not tell the American people is that we were producing then and we are by far in the way the world's largest producer of goods, services, and things of value. Thirty-three percent of the energy and America is the largest provider of everything produced, grown, or eaten. That is not bad. But, more important, it indicated that energy and growth and prosperity were related, and it would be nice if we could say we could continue to be the world's No. 1 producer and use only 15 percent of the energy. It would be wonderful.

I will tell my colleagues, we do not know how yet. And that is why this bill, in my humble opinion, an energy policy for America, should come ahead of almost anything. We are running around meeting in little backrooms trying to come up with an economic growth package—is that not what people are doing—to get us out of the recession. Is it not interesting? They are trying to get us out of the recession in short term. And, sitting here today are a few groups in America saying vote no on an energy policy, because it is not what we want. We would rather have nothing for America than what we have pending, say a few groups in America, who run around saying they are for America.

Let me suggest the reason I started this off with a bankrupt city and people who are really down and out in the bankrupt city is if the United States of America does not have an energy policy and have it pretty soon, using as much of its own resources as possible, conserving as much as possible, modernizing its regulatory system as it pertains to natural gas and electricity, modernizing the nuclear regulatory system, opening a small portion of the ANWR in Alaska. If there is oil there, only three or four or five football fields will be used, or some say the size of Dulles Airport is what they would use for all of the drilling that would occur. Why not look at that?

Some people forget that ANWR could produce $250 billion, Mr. President, in oil for Americans. Some would say that is not very much. Let me suggest that is what is wrong with us. We thought for so long that nothing amounted to very much. We could say forget the $250 billion that we would produce of our own oil, for our own country, for our own companies. We are just so rich that we do not need it. But we do need it.

I said last night, when I came to the Senate, a billion here, a billion there, it really mounts up. And now $250 billion in oil value does not amount to much. If you cannot do it your way, we will have no energy policy. What about the jobs in automobile manufacturing in the United States? It is in big trouble. A big part of our manufacturing is that, the big three plus all the related industries in this country.

There are some saying it does not really matter how much more regulatory burden you put on them. It does not make any difference. They are just going to make it anyway. That is the story of America because we could do things in a nonchalant manner 25 years ago, regulate ourselves, give ourselves away, overcharge for this, save this, destroy that, add it all up; it did not matter. We were so productive, and there was no one around to compete with us.

But let me suggest that America has matured, and with it we are not as affluent as we were and we cannot afford to do the kind of things that some people think America can do as a matter of course: Lock up $250 billion of oil; leave an ancient, crazy quilt of regulations on nuclear powerplants that do nothing but take time; have an old system with reference to how we build new powerplants to generate electricity, but keep it because it has worked during these marvelous glory days in America.

On that issue, even some of their power companies are telling their Senators to vote against the whole bill. That is why a few southern votes turned up the way they did in this bill. There are others who say, "Do not worry about it; we have to tighten more regulations. We have to do it like we have always done it. It used to work. It will still work." That is not the case.

So I am hopeful that before this all finishes, we will come to our senses. The President of the United States submitted a good energy policy. This bill incorporates a good deal of it. But some is not his, it is ours; Democrat and Republican Senators.

It is time that we do some things instead of talking so much about the President and his failure to do things and the failure of the energy companies, when truly most of the failure is right here. Because a few groups in America did a great job, and if they cannot get it their way, they do not want an energy bill at all. Do it our way, or do not do it.

I thank the Chair and the Senate for giving me a few moments, and I yield the floor.

Senator PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. I thank the Chair for recognizing me this morning.

Mr. President, I did not participate in the debate on the so-called John-

ston-Wallop legislation that the Senate has just refused to go to or to consider. But I do feel it is necessary to respond to a couple of the comments that have been made this morning subsequent to that vote.

If I might, Mr. President, draw the attention of my colleagues to a statement by my very good friend and esteemed colleague from Alaska, Senator STEVENS, who seemed to be implying that this was a Republican-Democrat type of mix; that the Republicans wanted an energy policy; that the Democrats did not want an energy policy.

Mr. President, I am not certain that our friend from Alaska meant to leave that impression with the Senate or with the country, as a matter of fact. But I would like to say that I just calculated the vote taken on rollcall No. 242, which was, of course, the cloture motion on the motion to proceed. I find it an interesting mix: 18 Democrats on this side of the aisle voted to, basically, cut off debate. They voted for cloture. Thirty-two Republicans voted to cut off debate and move to the so-called energy bill.

On the nay side of the ledger, Mr. President, and I say to my colleague from Idaho and my colleague from Alaska, Senator MURKOWSKI, who is on the floor now, there were 35 Democratic "no" votes, voting not to proceed to the energy bill. There were nine on the Republican side who voted not to proceed to the energy bill.

Mr. President, in this area, the only purpose in my rising this morning is to simply clarify that situation and to make certain we do not depart for the weekend feeling that this was an up or down issue, a partisan issue between Democrats and Republicans, or something that, as one of our colleagues might have implied, is something the President can make hay on.

I do not think that is the case, and I certainly do not think that should be the case, Mr. President. We had a very strong mix of votes between Republicans and Democrats when, for whatever reasons, we decided not to cut off debate. So now, as we approach the noon hour on Friday, we are leaving town, many of us, with the feeling that the energy debate is over for the year.

Mr. President, I hope it is not over for the year. I hope that those people involved in this debate who have participated in the discussions, our colleagues in the Senate who are on the committees, notwithstanding which committees they are on, can revisit this issue.

We have just fought a war in the Persian Gulf over energy.

Certainly militarily it appears that we won that war, but after that war, with regard to energy dependency, Mr. President, we are still where we were. We must have a new approach to finding the energy resources that are available not only here but certainly throughout the world, wherever they might be, to satisfy our energy needs.

Mr. President, I think we do have an energy policy, and that policy is pretty simple: we are going to continue buying our energy from someone else; we are going to continue a policy of dependency on other countries. For the moment, we depend on the Mideast. I do not think that is the policy this country or our people want, and I do not think this Senate and the Congress of the United States, as well as the President, want to be classified as leaders of this particular policy. We must find a new policy.

Finally, Mr. President, let me take one or two moments, if my colleague from Idaho will be so kind to allow me to talk about one of my favorite subjects, and that is something which has put us into this spot and which has prohibited us from considering the Johnston-Wallop energy bill. That is a parliamentary maneuver, Mr. President, called a motion to proceed. The motion to proceed is debatable, as we know. It is filibusterable, as we know, and it takes 60 votes, 60 U.S. Senators all voting "yes," before we can ever even move to take up an issue.

Has this Senate this year voted on ANWR? Have we debated ANWR, whether ANWR is going to open up or not? No. We have just refused ourselves that opportunity. Have we debated whether or not it is proper to force our CAFE standards to be adopted to get better gas mileage? No. We have not debated that. We have chosen not to. We have chosen basically to opt out because of a parliamentary maneuver that is almost as old as the Senate itself. It is an archaic and arcane part of our rules, the motion to proceed.

Mr. President, for a number of years I have jointed Senator DANFORTH and other Members of this body to attempt to eliminate the motion to proceed from our rules. In my opinion, this is another example and another time that we have seen the motion to proceed invoked, with all of the rights certainly available to any Senator to invoke that maneuver. I am not taking away from that right. I am just thinking and saying, Mr. President, that we should not continue using the motion to proceed to preclude us from going to an issue. I think we are mature enough to look at ANWR and ask and answer ultimately the question, Do we want to proceed? Do we want to open up ANWR in Alaska or do we not, to take it on its merits, to vote it up or vote it down. The same applies to the argument of CAFE standards.

But to continue using this archaic rule, the motion to proceed, as a threat to any legislation that is rumored or discussed to be put on the calendar in the Senate, I think, Mr. President, is wrong. I do not think it is fair. Ultimately, I think it is an insult to the intelligence of this body to continue with the motion to proceed which stops us from debating issues that our country needs to have debated and certainly the Senate needs to discuss.

Mr. President, I want to thank my good friend from Idaho for yielding to me. He is a very wise man, Mr. President. I have served in this body a little over a dozen years with the Senator from Idaho. Mr. President, he has become smart. He has become a very wise man during this period because he has decided he is going back home; he is no longer going to continue here. He is no longer going to be a part of the Senate, but he is going to return, I guess you would say, to his people.

It has been my honor to have served with him, and I wish him well. He has been my friend. We do not always vote the same way. None of us vote the same way in this body. But I want to say to my friend, Mr. President, what a splendid individual he is and what a pleasure it has been to have served with him. I wish him well in every respect.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. SYMMS. Mr. President, I thank my good friend from Arkansas for those kind remarks. I might just say how good it is to see him back among us because of the difficulties he suffered this year and the inspiration he has provided so many of us personally to take care of our most important possessions, of course, our health and our families. I do respect him and appreciate him for it and am so glad to see him back looking so well. I must say I will miss this institution, but I look forward to a new life, and I believe there is a life outside of the Senate.

Mr. President, we have heard much said here today about this piece of legislation. As I told the chairman of the committee, Senator JOHNSTON, in private conversation, I hope he does not give up on this bill now. I said the same thing to Senator WALLOP, the ranking Republican. I hope they bring this bill back again and again and we continue to debate this issue because, even though throughout the world the Marxist labor theory of value has been debunked as a failure, as miserable, it does not work, it still works here in the U.S. Senate in terms of mobilizing forces that work very hard. Even though maybe the cause they work for, by the definition of some of us, is not a good cause, they were successful because of the rules of the institution and because they were able to focus different special interests to get enough votes to deny the opportunity for the Senate to move forward and debate a bill that I think overall, although I do not like every part of the bill and would try to amend some of those things in the bill to improve upon it, would be good for the country.

As the distinguished occupant of the chair knows, Mr. President, I have said many times that in Congress usually when legislation comes before Congress, 9 out of 10 times, if you vote against it, you are right because usually it is bad for the economy. When the Democrats run Congress, probably 95 out of 100 times it is right. I will give the Republicans five times out of 100, the advantage.

But I say to my friend, Mr. President, this is a bill I believe would be good for the country, to recognize we need a coherent energy policy. So I hope they do bring it back. We should be opening up ANWR. It was part of the plan when the Alaska lands bill passed back in 1980. I was on the Interior Committee in the House. there was an agreement struck. Senator Jackson carved out a piece of that Arctic plain and said we will preserve that part so they can drill oil where the oil was thought to be and give the Alaskans and Americans an opportunity to develop some of their own resources. So I hope that they will bring it back.

Mr. President, when I look at the legislation that passed—with regard to my reference about what Congress does is usually bad for the economy, and I say that oftentimes on the stump, that you can usually estimate, when the politicians in Washington are gathered around together all heralding some great cause, it is usually bad for the economy. Look, this Congress borrows $1 billion a day. That is what we are doing today. We borrowed $1 billion yesterday, we are borrowing $1 billion today, and we will borrow $1 billion tomorrow. Tell me, if you take a computer and estimate where we have come from and you put that computer to work to tell you where we are going, what will it take to wake up the Congress? Borrow $2 billion a day, $3 billion a day, $4 billion a day, $1 trillion a day? Where are we heading with this economy?

Where are our cities headed? Why are the people unemployed?

I will tell you why. Just in the past few years we have passed several pieces of legislation that are disastrous for the economy. One is the so-called budget agreement of 1990.

Within that budget agreement it raised the taxes. It broke the boatbuilding industry in this country because of some insane idea that we could raise luxury taxes so we could soak the rich, but we drove the incentives out. So the people go offshore to buy a boat or they do not buy a boat at all. The luxury tax was bad.

We made OSHA inspectors into tax collectors in that bill; the Congress did. The President signed it. It is a disaster to the economy. So we have more unemployment. We passed the Clean Air Act; this Congress did. These are all bills I voted against, I may say.

The Clean Air Act is an unmitigated disaster to the economy of this country. When the regulations start taking place it is going to drive the chemical industry out of the United States, the steel industry out of the United States, the pharmaceutical industry out of the United States. Then people wonder why we have unemployment and why we are not competitive with our foreign competitors.

We raised the minimum wage law; the Congress did. We just recently this last week passed a civil rights bill that will make it much more difficult for small business people to operate. It is a quota bill. Do not think it is not. It is a bill that will force mandatory quotas.

It is so amazing to me to sit here and hear Congress talking about business necessity as though we know what is necessary to run a business out in Peoria, Pocatello, when the people are there. They may know what they need to do and who to hire to run their business. But somehow Congress thinks they can sit here and agree to these things.

So most of the things that happen are bad for the economy. That politicians in Washington decide it just works out that way.

Here we are now. We have an opportunity to put together a good, coherent energy plan, much of which will help encourage and provide some incentives for development of our resources and point us in the direction of self-sufficiency, and what we do is we will not even debate it.

I do not know what it takes. Maybe the Republic has to fall into literally the dustbin of history before people in the District of Columbia will wake up or, better yet, before the American people will wake up and hire a new Congress. That is what I would hope they do, is hire a new Congress. Congressmen, after all, work for the people; Senators work for the States, according to the Constitution, and the States and the people could hire a new group.

Surely this would not do any worse than we have done in the last 12 months toward doing anything to address what the real problems of the country are, to address the fact that if we are going to have good civil rights in the country, we need to be sure people have good jobs and an economic opportunity for upward mobility.

If we expect to have any kind of an energy policy, we should have some coherent plan where we can develop energy, streamline the licensing procedure for nuclear power. But no. Congress does not want to address that. It is not good enough, or it does not suit the Sierra Club or someone. So we cannot do those things yet. We will eventually, I believe, wake up. The American people will wake up, and Congress will do the right thing.

So I urge Senators JOHNSTON, WALLOP, DOLE, MITCHELL, the leaders here on this issue, to bring this issue up again and let us debate it again. As Senator STEVENS said, let us get it into the national debate. Whether it is a pure partisan issue between Republicans and Democrats I personally do not care. Let us get it out in the campaign, let the people discuss and debate the issue, let the people tell the Members of the House and Senate what they think about it. Do they want to develop their energy resources in this country? Do they want to be self-sufficient in energy?

It would be very healthy for this country to have this issue debated in the 1992 elections. I think that it would be very healthy in that respect for the leadership to bring it back before the Senate and let us try again. Maybe we can persuade some of our colleagues.

When I look through the list, I think there are some Senators that might have a time or two decided they would vote to not deny the opportunity to debate the issue. They would still have an opportunity to vote against the legislation or to even filibuster it after the debate starts, if they do not like the way the amendment process goes.

Mr. President, I hope that will happen.

Mr. President, if no other Senator is seeking recognition, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

THE ENERGY BILL DEBATE

Mr. KENNEDY. Mr. President, the action just taken by the Senate is the beginning of a sea of change in the way we approach our energy future. The Senate finally said no to the extravagant dreams of big oil and the nuclear power industry. We have taken a giant step toward the creation of a sensible and balanced energy future that respects the environment and pays more than lip service to essential goals, such as energy conservation, the development of promising alternative energy sources, and the preservation of the environment.

The Nation has changed course on energy. The doomsayers are wrong. We recognize our problems, and we are moving more responsibily than ever to address them. We are on the right energy track for America at last.

TODAY'S UNEMPLOYMENT FIGURES

Mr. KENNEDY. Mr. President, the latest unemployment figures demonstrate once again that the economy is riding on empty.

The national unemployment rate increased slightly, to 6.8 percent, where it has been hovering in recent months.

In Massachusetts, the news is somewhat less bad—the jobless rate has finally dipped below 9 percent for the first time in many months.

All of us hope that the long-awaited recovery may be underway, but few of us have any confidence that it is.

For Massachusetts, in fact, the first sign of recovery has a hollow ring, it may mean only that we are moving from the depression level to the recession level.

This grim news comes on top of other data confirming America's economic problems.

Although GNP rose slightly in the third quarter, many analysts see this as a temporary pause before the economy resumes its downward course.

Earlier this week, we learned that new homes sales fell by almost 13 percent, the sharpest drop in 2½ years. The number of Americans using food stamps is at its highest level in history, and consumer confidence in October plunged by over 12 percent, close to the level last seen in the 1982 recession. This drop reflects what all of us already know: The economy is in trouble, and we are not doing what we should do to revive it.

The American people understand the gravity of our economic crisis, and so does Congress, but the administration does not.

President Bush continues to ignore our problems here at home, while focusing on foreign affairs. Last August, at Kennebunkport, the President said he would come back fresh from his summer vacation and focus on domestic issues in September. September and October have come and gone.

The economy is in worse shape, and more families are hurting because of the recession; but, still, the administration does nothing. Waiting for George is more frustrating than waiting for Godot.

During this period, according to press reports, the President met with 21 heads of foreign nations, including the leaders of Iceland, Micronesia, and Lichtenstein, but he could not find the time to meet with Republican representatives to discuss family and medical leave.

In September, the President met individually only three times with members of his own Cabinet to discuss domestic issues, and two of those three meetings took place on the run, while flying to political appearances. The President talked to the Senate majority leader four times, all on international issues. The President never once addressed domestic problems, including the plight of the unemployed.

Twice, the President has vetoed unemployment benefits. Unlike every other President during previous recessions, Republican and Democrat alike, President Bush refuses to help working families in need.

After months of needless suffering caused by the President's vetoes, action on unemployment benefits is more essential than ever. Now, at last, there are reports that the administration is listening.

After ignoring every clear piece of economic data for months, the administration has finally seen a number that concerns them: the President's collapsing rating in the polls. Sadly, that is the only figure that could catch this administration's eye and generate concern.

If a genuine compromise is in the air, we should be clear about one thing: We should not cut back on aid to the unemployed. Every dollar we cut now means less help in the months ahead of those who need our help the most.

If the President has finally seen the light, all he has to do is approve the earlier relief that Congress endorsed. That relief is already more modest than the assistance extended in previous recession, and it should not be slashed deeper.

Clearly, if there is to be a compromise, it should be on offsetting the revenue loss involved, not on reducing the level of benefits.

In my view, even a revenue offset ought to be unnecessary. These additional unemployment benefits have already been paid for. The unemployment trust fund has an $8 billion surplus. That surplus was raised to accommodate precisely the condition we now face, widespread unemployment caused by this recession.

The administration continues to insist that the Budget Act does not permit benefits to help the unemployed to be designated as emergency spending, and avoid the need for offsetting revenues. Does it take a depression to convince this administration that an emergency exists?

They are all too willing to use the emergency designation for priority foreign policy spending. Why not for domestic priorities, too?

Nevertheless, as a practical matter, it is essential to find a formula to enable this legislation to pass, with or without the signature of the President.

Senator BENTSEN has put forth a worthwhile proposal for offsetting the revenue loss in whole or in part. But the important thing is to move forward now, and ease the pain that so many working families are needlessly suffering because of the intransigence of the White House.

The economy is in trouble. The people who are hurting are innocent victims of this stalemate. They need help. They need it now. And they deserve it now. A new extended unemployment benefits bill should be passed immediately, and I urge the Senate to act as soon as possible.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

LET'S PASS THE BENTSEN-ROTH SUPER IRA

Mr. ROTH. Mr. President, I want to bring to the attention of the Members of the Senate a three-page advertisement in yesterday's Washington Post. The ad has been run in U.S.A. Today, Newsweek, and Forbes, and was sponsored by Merrill Lynch. The ad asks that the Congress pass the Bentsen-Roth Super IRA, and if the facts in the ad do not wake us up, then I do not know what will.

The first page begins by stating that—

> The average 50 year old has only $2,300 in savings.
>
> What happens when 75 million baby boomers retire?
>
> U.S. standard of living threatened by low savings rate.
>
> The Japanese are outsaving us four to one.

Let me add that there are plenty of other things that could be added to this list. But I would like to emphasize the points made here.

This advertisement is important because it brings the message that Senator BENTSEN and I, and 76 other Senators, have been trying to bring home. We must solve the savings crisis in this country. It is tantamount to any long-term economic success that America could possibly enjoy.

The ad focuses on the right concerns—concerns that are addressed by the Bentsen-Roth IRA.

First, Americans are not prepared for retirement, at a time when they are spending more years in retirement than ever before in America's history.

Second, our younger generation has not adopted good habits of savings that older generations have. This means that we have to start getting them in the habit, and it means incentives to do so, like the IRA.

Third, that if we do not change the law, bring about these incentives, and allow the free market to sell the idea of increasing our savings, then we are likely to become a nation with an ever-decreasing standard of living. This point was strongly made in the Finance Committee by Alan Greenspan, Chairman of the Federal Reserve, earlier this year.

Fourth, and finally, the point is well taken that the Bentsen-Roth IRA is critical for competitive reasons.

I have to point out that a nation of high savers, like Japan, will always have a competitive advantage over a nation of low savers, without a large

supply of available private capital, like America. The reason is clear: Economies will suffer because they will not be able to take on important projects that are capital intensive. But nations like Japan, with a high savings rate, will be able to do these projects. They will beat America in the marketplace.

The automobile industry is a perfect example, and we are seeing it happen in computers and other high-tech industries.

I must add that I am sick of hearing some pundits say that we cannot pass the IRA because it is prosavings at a time when the economy is sluggish because Americans are hesitating to consume. A recent story I read said that LLOYD BENTSEN said his "IRA would both encourage consumers to spend and to save more." They were trying to make him look foolish, but it is the pundits who are foolish.

When Americans save more, the money doesn't just vanish. It goes back into the economy. It allows Americans to borrow money at lower costs for factories, homes, education, health care, and other reasons. It helps strengthen our weak financial institutions by increasing their deposits and eliminating the credit crunch. The idea that prosavings incentives will bring a halt to consumer spending and only worsen our current economic problems is 100-percent wrong, and that kind of shortsightedness should be brought to an end.

Mr. President, I ask unanimous consent that a copy of the three-page advertisement from the Post be printed in the RECORD.

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

[Advertisement from the Washington Post, Oct. 31, 1991]

The average 50-year-old has only $2,300 in savings. What happens when 75 million baby boomers retire? United States standard of living threatened by low saving rate. The Japanese are outsaving us four to one.

THERE ARE A LOT OF GOOD REASONS WHY WE SUPPORT THE SUPER IRA

YOU'RE LOOKING AT THE LIFE SAVINGS OF THE AVERAGE 50-YEAR-OLD: $2,300

The view from Merrill Lynch: We recently completed a report on saving in this country. And the news isn't good.

The gap between how much people are saving and how much they will need for retirement is incredible. Families headed by individuals aged 45–54 have median financial assets of only $2,300.

There is also a large gap between the beliefs of preretirees and reality when it comes to who will pay for retirement. Many regard the Government and their employer as the major sources of retirement income. Thirty percent of preretirees believe an employer pension will be their most important retirement-income source. In reality, pensions account for only 14% of income after age 65.

The aging of America adds new urgency to the need for saving. As the baby boom generation reaches retirement age, expenditures for health care as well as living expenses will climb dramatically. Sadly, Americans today are not adequately preparing to cover the cost of their longer life spans.

Thus there is no escaping the fact that personal saving must be increased to fill the gap left by Social Security and private pensions.

Policymakers can make a great deal of difference by creating tax incentives for saving. In a recent study by the Wirthlin Group, 75% of the retirees between 45 and 64 surveyed said they would save more if the Government provided them with direct tax incentives.

In addition, our report summarizes research indicating that tax incentives for saving have worked in the past to create new saving. It also shows why tax incentives need not cost Federal tax revenues or increase the deficit.

For your copy, contact us at the address below. Ask for "Save, Ourselves: The Human Dimension of the Saving Crisis."

WHAT'S WORRYING 90 PERCENT OF THE PEOPLE FACING RETIREMENT?

The View from Merrill Lynch: There's an increased concern over retirement savings, according to the third annual Merrill Lynch Retirement Planning Survey.

Since our first survey in 1988, specific concerns have heightened. Perhaps the most disturbing is the increase from 70% in 1988 to 83% in 1990 in the number of preretirees who worry about their ability to meet daily living expenses. This is not concern about which cruise to take, or whether or not to spend the winter in Florida. It's concern about being able to buy a daily newspaper, to pay the electric bill, to pay for the simple necessities of life. It's important to note that all the people in this survey were between 45 and 64 years old, had full-time jobs (not self-employed), and one-third had household incomes of $50,000 or more.

Not surprisingly, maintaining financial independence is an even greater concern. In 1988, 79% of pre-retirees were worried about their financial independence. By 1990, those concerned had increased to 89%.

High costs of health and medical bills is another key area of concern which has risen dramatically. In 1988, 80% of the people surveyed expressed concern. In the latest survey 93% said they're worried and in the oldest group surveyed, the 60 to 64 year olds, the number rose to 97%.

Clearly, concerns about meeting retirement costs have reached almost universal levels. Yet, amidst all the concern is a growing awareness that the primary responsibility for paying for retirement lies with the individual, not with the government or with employers. In 1989, 54% of pre-retirees said that they had primary responsibility for retirement income. In 1990, that figure rose to 62%.

While people recognize their own responsibilities, they also feel they would do a lot better with a little help. In fact, 66% said they would save more if the government provided direct tax incentives.

The Bentsen-Roth and Pickle-Thomas bills currently before the Senate and the House, respectively would go a long way toward giving people the incentive they need. Their passage would also be a message to all Americans, that the Congress of the United States recognizes their concerns and is willing to do something about them.

GOOD NEWS: IRA'S ATTRACTED UP TO $138 BILLION IN NEW SAVINGS FROM 1982–86.

The View from Merrill Lynch: A recent study indicates that IRAs were a powerful generator of new savings by middle income taxpayers before they were restricted in 1986. The study prepared by the Institute for Research on the Economics of Taxation, reports that most IRAs were restricted in 1986. The study, prepared by the Institute for Research on the Economics of Taxation, reports that most IRAs were funded by new saving rather than transfers from existing savings.

Analyses of the data show that as much as $138 billion or 80 percent of the total IRA contributions between 1982–86 came from new saving.

The study indicates that "IRAs are clearly not a rich man's savings vehicle. Two-thirds of the beneficiaries of IRA deductions were middle or lower income. Of the more than 15 million tax returns with IRA contributions, over 10.5 million, or 66.9 percent were of families or individuals with adjusted gross income of less than $50,000. These returns showed 58.8 percent of the total dollars contributed to IRAs."

In addition, there is little or no evidence that IRAs were funded primarily by cashing out existing taxable assets or by borrowing. The study also reports that preliminary figures for 1987 indicated a drop in IRA contributions of $24 billion, or 67 percent since IRA deductibility was curtailed in 1986. One-third of the decline, of $8 billion, came from taxpayers with incomes below $50,000 a year.

William A. Schreyer, Chairman and CEO of Merrill Lynch reviewed the new study during a recent address to the society of American Business Editors and Writers. He called on the federal government to find ways to renew the appeal of IRAs, and urged Congress to expand the flexibility of IRAs to allow tax-free withdrawals for education, medical, long-term health care or housing ownership.

"This would provide a powerful incentive to encourage people to save more for the future, rather than spend for today. And it would cost the Treasury very little now." said Mr. Schreyer. Furthermore, he added, "The evidence clearly shows that IRAs have functioned as a powerful savings incentive—and not just for wealthy taxpayers."

Mr. Schreyer sees the nation's savings and investing needs as "one of the biggest economic stories of the 1990s—and very much a human story, as well. What's at stake is nothing less than our continued standing as a first-rate economic power in the global economy, and our ability to sustain a high standard of living that all our citizens have a right to enjoy."

For an executive summary of the Institute for Research on the Economics of Taxation's study, *Save America: A Primer on U.S. Savings and Its Effects on Economic Health*, contact the Merrill Lynch Government Relations Office at the address below.

LET'S BRING THIS SAVING VEHICLE OUT OF RETIREMENT

The View from Merrill Lynch: "Bringing the IRA out of retirement is something we can do now, today, to jump-start savings and help millions of working Americans plan for tomorrow," is the message Senator Lloyd Bentsen delivered in a speech recently.

We couldn't agree more.

A new Merrill Lynch study adds documentation to the critical need for savings. It shows that if Americans continue saving at the present low rate, within 20 years this country's retirees could face severe economic difficulties.

According to the Third Annual Merrill Lynch Retirement Survey. America's preretirees, ages 45–64, have a poor understanding of the costs of retirement and unre-

alistic expectations about the sources of their retirement income.

The study found a large gap between what people expect to receive from Social Security and employer pension plans and the much smaller amounts they are more likely to receive upon retirement.

As a result, with the huge baby boom groups edging toward retirement and with people living longer in retirement, millions of Americans face a bleak and tragic future unless they start saving more now.

John L. Steffens, Executive Vice President, Merrill Lunch Private Client Group, said in a recent speech. "It's clear to us that people 10 to 20 years from retirement are not saving enough, and that if this trend continues, we could face a full-scale national crisis.

With Social Security and pension benefits to become relatively less generous in the decades ahead, it is absolutely essential for people to begin building a personal nest egg now.

"This group pre-retirees includes the first of the baby bommers, who face immense financial hardship if they fail to change their saving habits," said Mr. Steffens. "Our children and grand children will inherit huge financial burdens of caring for this large generation of elderly indigents."

Our survey indicates Americans need all the encouragement they can get to increase their savings, which is why we at Merrill Lynch support he Bentsen-Roth Super IRA proposal. As Senator Bentsen said, "It will encourage millions of Americans to save and it will help individuals plan for an uncertain future."

These advertisements appeared over the past three years in various publication as part of Merrill Lynch's ongoing efforts to help revive the IRA. And one very good reason why you should. Your financial future.

The new proposed Super IRA can make a difference for millions of Americans.

On March 12, 1991 Senators Lloyd Bentsen and Bill Roth introduced a bill proposing the establishment of a new Super Individual Retirement Account designed to restore IRA eligibility to all American workers. On the same day Congressmen J.J. Pickle and Bill Thomas introduced the bill in the House of Representatives. This legislation is now pending before the House and Senate.

The new Super IRA would give the individual the option of selecting a plan where contributions create an immediate tax deduction, or one where withdrawals are totally tax-free after five years. In either case, the Super IRA will permit penalty-free withdrawals for first-time home purchases, education expenses and catastrophic medical expenses, as well as withdrawal for any purpose after age 59½.

Annual research sponsored by Merrill Lynch shows people are unprepared for retirement and fear they won't have adequate income for daily living expenses, let alone the expenses of long-term health care. Bad news, indeed.

However, the studies show that most people would respond positively to saving incentives such as those outlined in the Super IRA proposal.

Support the Super IRA now.

Please join in. Write or call your Senators and Representatives. If he or she is already a cosponsor of the Super IRA, express your thanks. If not, urge them to become one. For names and addresses of your legislators and their position on the Super IRA, call 1-800-637-7455, Ext. 9171. And also ask for a copy of one or both of our timely booklets, "The Retirement Fallacy" and "The Public Policy Case for Saving."

THE NAFTA WORKER ADJUSTMENT ASSISTANCE ACT

Mr. ROTH. Mr. President, during the debate on the extension of fast-track authority earlier this year the U.S. free-trade negotiations with Mexico served as a focal point for those opposed to the extension. In response to the strong concerns that were raised over these free trade talks the President submitted an action plan on May 1.

Earlier this week I introduced, along with my distinguished colleague Senator MOYNIHAN, the NAFTA Worker Adjustment Assistance Act, which is designed to address one of the key commitments made in the President's action plan—the commitment to provide "a worker adjustment program that is adequately funded and that ensures that workers who may lose their jobs as a result of an FTA with Mexico will receive prompt, comprehensive, and effective services."

Mr. President, it is important, in my view, that we not wait for the North American Free-Trade Agreement to be submitted to Congress before devising such a worker adjustment program. Now is the time to begin the process of stimulating discussion on the key issues involved, and to build the consensus that will be needed to meet the commitment made in the May 1 action plan. The legislation we introduced this week will move this process forward.

The NAFTA Worker Adjustment Assistance Act is built on the premise that the current Trade Adjustment Assistance [TAA] Program should form the basis of any special program for workers affected by an FTA with Mexico for two important reasons. First, it has been an effective and positive program which has strong support at the State and worker level. This was recently underscored by several witnesses during hearings before the Committees on Finance and Ways and Means.

Second, but not any less important, is the fact that Congress has made itself very clear since creating TAA in 1962 that providing special adjustment assistance programs for trade-impacted workers should go hand in hand with major trade liberalization action on the part of our Government. This remains just as true, if not more true, today.

There is no question that the launching of the North American free-trade negotiations is a major trade liberalizing initiative. In fact, it is unprecedented in many ways. Above all, it will be the first time the United States has ever negotiated a comprehensive free-trade agreement with a major developing country which is also a top trader with the United States. Mexico is, in fact, our third largest trading partner. While I believe these negotiations hold great economic promise for the United States, it is clear at the same time that difficult, structural change will also occur.

By building on the current TAA Program, I believe we can provide the type of help that workers affected by such structural change will need. The NAFTA Adjustment Assistance Act accomplishes this by creating a special rule under TAA to ensure that workers who may be dislocated by free trade with Mexico will be eligible for the full range of TAA benefits. The special rule will expand TAA eligibility to workers dislocated because a United States plant has moved to Mexico to take advantage of the free-trade agreement. Moreover, the bill provides for an expedited procedure for automatically certifying the workers affected by such a plant relocation if the company relocating was subject to the advanced notification requirements under the Worker Adjustment and Retraining Notification Act.

In addition to expanding TAA's eligibility coverage to include workers impacted by production shifts to Mexico, the legislation raises the current $80 million cap on training to $100 million. This aims to account for the increase in training that may be needed as a result of dislocation caused by NAFTA.

Other changes are made to improve the general operation of the current TAA Program. These changes, including greater emphasis on early and effective reemployment services such as job search assistance, are based on recent studies and testimony before Congress. Another change is to create greater followup of workers participating in the TAA Program to gauge more accurately the effectiveness of the services being provided.

One important reason for moving ahead now to devise an effective worker adjustment program in relation to NAFTA is the need to provide new funding. I believe that the main beneficiaries of a free trade agreement with Mexico should be willing to help the workers who will be hurt by it by supporting a temporary, de minimus uniform import fee at the border. A negotiated small border fee would allow both sides to afford special worker adjustment programs, and would be, in my view, much more preferable to other funding alternatives such as imposing some new form of permanent payroll or other tax.

Under the NAFTA Worker Adjustment Assistance Act, the President is directed to seek agreement with Mexico on the imposition of this type of small border fee. As I stated to Ambassador Hills in a letter this past August, the ability to impose a small adjustment fee should be an important negotiating objective with our Mexican

counterparts. Other Members of Congress are now starting to raise this idea, and I hope that such support will grow.

For some time now, I have supported pursuing this approach for funding U.S. trade-related worker adjustment needs. In the 1988 Omnibus Trade Act, for example, I authored a provision requiring the President to seek multilateral agreement in the GATT along these very lines. This provision, I might add, was strongly endorsed by my colleagues on both sides of the aisle. We should now take advantage of the opportunity presented by the NAFTA talks to negotiate such a fee with Mexico. This should be much less difficult than accomplishing the same goal with well over 100 countries. It could, in fact, help pave the way for future agreement in this area on a plurilateral and multilateral basis.

Mr. President, as I stated earlier, my intention in introducing this legislation is to stimulate serious discussion early on how to provide effective adjustment assistance to workers who may be dislocated by free trade with Mexico, and how to pay for it. It is a focused bill which aims to address the specific worker adjustment needs under a North American Free-Trade Agreement, while making some general improvements to the broader operation of the TAA Program.

I view this legislation as an important starting point. I believe that the results of the recently launched GAO investigation on TAA and other worker adjustment assistance programs, such as title III of the Job Training and Partnership Act, will shed additional light on possible improvements to these programs. I do not believe, however, that we should wait for the investigation to be completed before moving forward.

I look forward to working with my colleagues in addressing what I believe to be an essential part of the NAFTA negotiations.

Mr. President, I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER (Mr. WELLSTONE). The Senator from Illinois is recognized.

COMMENDING SENATOR BENNETT JOHNSTON

Mr. SIMON. Mr. President, I did not take part in the debate on the motion to proceed to the energy bill. I was one of those who voted against the motion to proceed, which prevailed. I do not think there is any question we have to create an energy policy in this Nation, but it has to take a somewhat different direction than the bill that was before us.

My reason for rising is to commend Senator BENNETT JOHNSTON. Immediately after that vote, he got up and congratulated those who prevailed, indicated he still feels very strongly, but he conducted himself in such a way that this body can work. It is essential, for a free system to work, for the symphony of democracy to work, to have the little grace notes that take place here. And BENNETT JOHNSTON's comments were a perfect illustration of how a Senator should conduct himself or herself in order that we can proceed. We all win some; we all lose some. Sometimes it hurts more than others.

BENNETT JOHNSTON worked very, very hard on this, and ultimately there still will be some very positive results from his actions.

But I simply wanted to stand up and say I knew before the action today that Senator BENNETT JOHNSTON was a class act in the U.S. Senate, but he illustrated that and underscored it by the way he conducted himself immediately after the vote. And it is not just what he said about himself. He conducted himself in a way that we should conduct ourselves in this body.

Mr. President, I yield the floor.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1992

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 2686.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House disagree to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 175 to the bill (H.R. 2686) entitled "An Act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1992, and for other purposes.".

Mr. BYRD. Mr. President, I ask unanimous consent the Senate recede from its amendment to the House amendment to the Senate amendment No. 175, and that the Senate concur in the House amendment to the Senate amendment No. 175.

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

Mr. NICKLES. Mr. President, we have no objection on this side.

The PRESIDING OFFICER. The Senator from Oklahoma.

NATIONAL ENERGY SECURITY ACT

Mr. NICKLES. Mr. President, I rise with a great deal of frustration concerning the vote the Senate had earlier today, basically killing the energy bill for this Congress, in all likelihood; certainly killing it for this year.

I heard some of my colleagues say about the cloture vote: "We did not get cloture; now we can strip out a bill and we can pass a bill we like." Frankly, some of us worked on the Energy Committee for months. Some of us have actually worked about a decade or more trying to pass a sensible energy policy for this country. Unfortunately, the Senate, and primarily a majority of the Democrats in the Senate, killed the bill.

I find that to be grossly irresponsible. I will make a prediction. Here we are, November 1991. I want my colleagues to remember, the year 2000, that we killed this bill today. Because by the year 2000, some things are going to be happening in this country that people are going to be upset about.

I will just mention one. We are going to be paying enormous sums of money for imported oil—enormous sums.

Somebody says, "How much are you talking about?" I will tell you right now, last year we spent $54.7 billion for imported oil—$54 billion. That happened to be 54 percent of our negative balance of trade.

I have heard a lot of people make speeches on this floor that our balance of trade is too high; we need more exports. The largest import we have is oil.

For the last few months it has been right at 48 percent. I have heard people say it is 50 percent. It fluctuates, bounces around on a seasonal basis. But gross imports are about 48 percent of consumption right now, gross. That is a fact.

Imports have been rising, and our domestic production has been declining. The national rig count has dropped from 3,974 in 1981 to 1,980 in 1985, to 775 in September 1991. So our reliance on imports will continue to escalate throughout the nineties.

We needed to pass this bill to slow that trend down. We are still going to be importing a lot of oil. Even if we pass this bill we are going to be importing a lot of oil by the year 2000 or 2010, but we would have been able to reduce it rather significantly if we had passed this bill.

The Department of Energy estimated we would have been able to save something like 2.4 million barrels per day by the year 2010 if we had passed this bill. I think maybe that estimate is pessimistic; I do not know. But through a combination of conservation measures, enhanced production measures, and alternative sources this bill had a lot of things in it to help reduce imported oil.

Frankly, to kill this bill, as the majority of the Democrats voted to do today, is grossly irresponsible.

Why did they do it? They say "Oh, we do not want to drill in ANWR." I do not know exactly how many of my colleagues have been to ANWR, but I heard such great descriptions of this beautiful, pristine ecosystem, the last one in the world. I have been there. It is frozen tundra. It is not beautiful, by any stretch of the imagination.

What we were proposing to be opened up for drilling, is such a very small per-

centage of ANWR. I think the Senator from Alaska said it well. I compliment both Senators from Alaska, but particularly Senator MURKOWSKI, who has led this fight for so long and who knows this area so well. It happens to be in his State.

Yet, the majority of the Senate says: "Oh, no; we do not want it touched. We want to have no drilling whatsovever in ANWR, the Arctic National Wildlife Refuge."

Yet, the size we were looking at drilling, I think, was the size of Dulles Airport. The land mass of Alaska is massive. I think it is something like 370 million acres. The total acreage of ANWR is 19,000,000 acres. They were looking at the possibility of maybe 12,000 acres in ANWR for potential development.

Somebody said, "Oh, this is going to scar the environment." They really do not know what they are talking about, or they are misstating the facts. I have been there. I have seen Endicott Field, where production is very successful, very concentrated. It is a platform where they have several drilling rigs that use directional drilling. It does not foul the environment.

Prudhoe Bay does not foul the environment, and it did not handicap, nor hurt, the caribou or the native animals. As a matter of fact, the only area in which we saw caribou was at Prudhoe Bay. We flew all over ANWR—all over ANWR—for hours, and we saw hardly anything on four legs. We did not see any caribou. They were not migrating at the time.

Having a drilling pad on ANWR would not have harmed the caribou. It would not have harmed the polar bears. When I walked in to vote today, the environmentalists were out in the lobby handing out their buttons, "Save the Polar Bear." It would not have harmed the polar bear to have drilling in ANWR. The drilling we have in the gulf coast has not hurt the fishing. It has not hurt the shrimping. It has not hurt the wildlife in that area. The drilling we have in my State is very compatible with the environment, and it would have been very environmentally sound in ANWR. But that is the reason this bill was killed. I think that is very unfortunate.

Mr. President, a couple of things are going to happen, and again, I want people to look at the year 2000. Many times we do not look far enough ahead. Right now, people are not in gasoline lines, so they do not care. That is the hottest issue on the floor of the Senate.

Right now, the hot issue on the floor of the Senate is unemployment compensation because the Democrats feel they are winning on this issue. If they wanted to have unemployment compensation to help the people who are unemployed, they would have passed the bill 2 months ago and already have provided thousands of people a continuation of unemployment compensation, because we offered to do it. The President said he would have signed it.

But, no. People wanted to play politics. They say, "Hey, we are winning on this issue; we have the votes," even though they could not override the veto. They tried it twice; they may try again. I hope not.

I now hear we will have a compromise, something we can pay for, something that will not bust the budget. But that is what people are interested in: "What is political today; what can help me get elected tomorrow?" Not what is good for the country in the long-term.

I tell you, in the long-term we are going to have problems, and those problems are going to be that Prudhoe Bay right now, where we receive about 2 million barrels of oil per day, is declining. That decline will continue. It will become an accelerated decline.

That is 2 million barrels per day. That is about 25 percent or more of our domestic production. So, as that declines, if we do not have something else coming along—and we do not have any additional production in the lower 48 to fill that void—we are going to be importing that much more oil. So, instead of importing 48 percent, as I just mentioned, as we have been doing this year, that figure will continue to escalate.

I will guess that by the year 2000 the figure will be much closer to 60-some percent. I am going to guess it is going to be well above 60 percent, probably much closer to 66 percent. I am putting that in the RECORD today, so you will be able to read it 9 years from now.

I am going to tell you, if we are importing about two-thirds of the domestic petroleum needs of this country, we are going to be very vulnerable. Some people say, "Oh, we have the strategic petroleum reserve to save us." I do not think that will solve the problem. It may give us a little insurance, or a buffer, but it is not going to solve the problem. It is certainly not going to pay the bill.

If we are paying $54 billion today, and the price of oil is $18, $19, $20 for oil today, and we are importing 48 percent, what is it going to be when we are importing 60-some percent 9 years from now at a higher price and maybe we will have some shortages. I do not know whether we will have shortages, but we will be a lot more vulnerable to shortages, and in all likelihood the price will be much, much higher. And the export bill or the negative balance of payments we have for oil will make $54 billion look cheap.

Mr. President, another guess: It will be above $100 billion. That is a lot of U.S. dollars that we are going to be shipping overseas. That is a lot of jobs.

I happen to be from an energy State. Some accuse me of being biased, but I happen to have a national interest in this. I will tell my colleagues, there was not a lot in this bill that we killed today that would have benefited my home State—not enough. We need a tax bill to do that. But there were some things that would've helped this country, and instead of taking the bill up and maybe trying to improve it where we could, they just killed it. They may say, "Hey, we are only going to be in session, what, 3 more weeks this year. We have to be out; we have to be out for Thanksgiving." Sure, I would like to be out. I would like to have the opportunity to go back to my home State, but I happen to think this country needs an energy policy.

I heard many of my colleagues on that side of the aisle say, "For 10 years this country has not had an energy policy." I've heard that statement so many times, and every time I hear it I try to respond to it. It took us many, many years to undo the damage from the Carter energy policy, the so-called Carter years. We did several things in accordance to a national energy policy, almost all of which were wrong, almost all of which were national disasters. We passed a windfall profit tax and placed a very punitive, heavy excise tax, which had no correlation whatsoever to profits, but a heavy excise tax on domestic production. Did we place that on imports? No. So we had a punitive tax on domestic production and no tax on imports. So we decreased domestic production, and we increased reliance and dependency on imports. It raised about $72 million from a few States.

What did we do with that money? We said, "Oh, we are going to enhance our energy security." Hogwash. What did we do? We started a synfuels corporation in which we wasted billions of dollars, a Federal energy corporation, and we are still paying for it.

In the Interior bill we just passed, we put in some money for the Great Plains coal gasification plant, which has been a financial disaster from day one. It probably has already lost well over $1 or $2 billion, and we have ended up putting in another $25 million grant and a $25 million loan so it can achieve environmental compliance to produce natural gas at about three times the world market price—three times the price my producers can get. That is what we got out of the Synthetic Fuels Corporation, a total disaster, and we are still paying for it.

Congress has repealed the Synthetic Fuels Corporation. Congress has repealed the windfall profits tax. Congress has repealed the Fuel Use Act that said we could not burn natural gas in utilities and powerplants and industrial plants. That was crazy. But you might remember back then we had a shortage of natural gas. The Carter administration said, "We are going to run out of natural gas, so let us pass laws

so we cannot burn it in these large plants." It made no sense whatsoever. We finally repealed it, but it took us several years to do so. I am proud to have been the sponsor of repealing the Fuel Use Act and proud to have been the sponsor of the bill to repeal the windfall profits tax. I am proud to have been a sponsor of a bill to deregulate natural gas prices, because one of the other results of the Carter policy was 28 different price categories for gas—28. We had the same commodity, natural gas, that burned the same in a home in Oklahoma as it did in Washington or New York, but we had 28 different price categories for gas. It made no sense whatsoever. It was Government by the Congress trying to say, "Here is what we think the price of gas should be at all these different depths." It was ridiculous. It made no sense. It took us many, many years to do it, but we finally deregulated gas. President Bush signed that bill. So we have made some progress. We have undone most of the damage that was done by the Carter administration.

Congress also passed, I might mention while I am going through the litany, the Emergency Standby Petroleum Allocation Act. Again, another idea that big government can solve problems. Reagan vetoed that bill and we were able to sustain the veto. So it took us many, many years, about 8 or 9 years to undo the damage of the Carter administration. All the while we heard our colleagues saying we needed a national energy policy. So we worked hard and long and we came up with one, and yet my colleagues, and primarily the Democrats, said, "No, we do not want a bill because it has ANWR, and we do not like ANWR." Some people say, "Well, because you do not do enough on CAFE, we do not want the bill." How can you get CAFE if you do not have a bill on the floor? That argument is ludicrous. I disagree with the people who want to impose radical CAFE standards on automobiles. I do not want to take away consumer choice. I do not want to mandate that all cars be almost as small as this desk. But I will tell you they are not going to get CAFE if they do not have a bill. They say, "Oh, no, we want more stringent CAFE or we do not want ANWR so we are going to kill the bill so we will not even get to consider these issues."

I am not exactly sure where the votes would come out. Maybe they had the votes for CAFE. The President said he would veto too stringent CAFE standards, if that were the case. Frankly, we do have the votes to sustain a veto on that. I know that. I think other colleagues know it, too. Yet, we are going to have a big debate on it. Fine. I debated it several times, and I would debate it again. But we do not even have that option now because these Senators would not even vote to proceed to the bill. That decision in effect said, "Hey, we do not have a problem because now we are not going to have an energy bill this year because of the vote today." Today's vote disgusts me, and our country is going to be paying for it. Our country will pay for it and, mark my words, several years from now people are going to say, "Why did we not do more? Why did we not do something to keep us from writing so many checks to other countries for oil? Why are we so dependent? Why do they have that much leverage over us, economic leverage, oil leverage?"

This country happens to run on oil. A lot of people wish it was not the case, and I guess, if we followed the guidance of some, we could mandate that people not ride in automobiles and trucks and that they instead ride bicycles so we would not be as dependent. But I do not think the American people are ready for that just yet.

So, again, Mr. President, I rise today to mention that we have tried. We failed today, and that is unfortunate. But the problem did not go away. This problem will only get worse as time goes by unless this country actually puts together a good, sound, comprehensive energy proposal. Maybe what we should do now is pick up some of the pieces. There are some things in this bill that will help the natural gas industry. They will help utilize a resource that is very good, environmentally sound, and cuts through some of the redtape. We happen to have an abundance of natural gas, and I think we will for some time. My State happens to have abundance of it. We have gas wells being shut-in all over my State in so maybe we can do some of these things on a piecemeal basis.

I will say our country will be a loser unless we pass a good comprehensive energy program. I heard some of my colleagues say this bill does not do enough for conservation. Maybe they should read the bill. The bill has a lot in it for conservation, it has a lot of renewables, it does a lot for energy efficiency. It does not go as far as some people would like. Some people want to mandate that every car in America will average 40 miles per gallon or 50, no telling what their limits might be. But it still was a good solid bill. If we had the bill on the floor, if they thought it did not do enough in one area, they could have amended it. Since they voted against cloture on the motion to proceed, we will not have a bill on the floor, so they are not going to be able to improve it. They just killed our hope for this year, and, I am afraid, maybe for this Congress, of passing a significant energy bill. But I think the real losers will be our country and our future.

Mr. President, I yield the floor.

A NEW ENERGY POLICY

Mr. GRASSLEY. Mr. President, we are going to pass an energy bill during the 102d Congress. A few months ago we all had to cast votes on risking the lives of hundreds of thousands of American men and women. It would be shocking, therefore, to find anyone serving in this Congress who does not believe we must have a new energy policy.

The chairman of the Senate Energy Committee yesterday in his opening statement presented a dramatic photo of a burning oil well in the Middle East. He said we must have a new oil policy. We are too dependent upon Middle East oil. That 300,000 Americans risked their lives, and sadly, many did not return home alive.

The chairman said that this is what this issue is all about.

I could not agree more.

This legislation could very well turn out to be the most important legislation considered by the 102d Congress. It will impact every American for decades to come, and in fact, will have worldwide implications.

For this reason, this bill is far too important to rush through the Senate in the few days before we adjourn before Thanksgiving. This bill is far too important to rush through at the end of any session when Senators are weary and battle-scarred from the bruising fights that have taken place in recent weeks.

We need time for very careful reflection. We need time to sort through the avalanche of documents which have flooded our offices during the last few days, to sort through the oftentimes conflicting information and claims by the many, many opposing viewpoints on the vast number of controversial issues.

Mr. President, there is one proposal that I am extremely concerned about. I am proud to announce that I will be cosponsoring the alternative fuels amendment by Senator JEFFORDS. I am proud of the fact that former Senator MCCLURE, before he retired, and when he was ranking Republican member of the Senate Energy Committee, cosponsored Senator JEFFORDS proposal.

Senator JEFFORDS has exhibited great foresight in his proposal. It is the only proposal that I have seen which we can support, and go back to our constituents and say with all honesty and sincerity that, we really believe we have taken significant steps down the road toward energy independence.

But powerful forces are taking an absolutely radical, unbending approach to the Jeffords amendment. The oil industry has declared allout war against this amendment which will displace a portion of our gasoline supply with domestically produced alternative fuels.

The September 25, 1991, Journal of Commerce reported:

> The oil industry claims it would forgo Alaskan-refuge exploration if it could squelch a proposal that would require it to increase sales of alternative fuels such as

compressed natural gas, corn-based ethanol or methanol made from gas.

"If [Jeffords' measure] is included in the overall energy bill, we will oppose the bill," said Earl Ross, a spokesman for the American Petroleum Institute.

The oil companies said it "would be too costly to build plants to manufacture alternative fuels."

Well, then why are the oil companies investing so heavily overseas in methanol and MTBE plants?

And I emphasize overseas. If any of my colleagues have been lulled to sleep with the comfort that the Clean Air Act and our alternative fuels vehicle initiatives are going to reduce our dependence upon the Middle East, then they better start asking some very pointed questions to oil companies before we consider the Jeffords amendment and ask them why they are going overseas to invest in alternative fuels.

Well, "it's more cost effective," you might hear. In fact, that is why they oppose most alternative fuel efforts, "too costly." "Let the marketplace take care of our energy needs."

Mr. President, I will take a back seat to no one with regard to supporting a free market. A free market assures the most efficiently run economy possible.

But the marketplace will not make us energy secure, it will not maintain a clean environment.

In fact, who are we kidding? Where is the free market when we have to risk the lives of 300,000 Americans, as the chairman so pointedly noted, simply to keep our supply lines open? There is no supply and demand of a free market when you have to subsidize the supply side with hundreds of billions of dollars in subsidies in the form of military protection. And when dealing with a cartel.

Mr. President, the General Accounting Office recently issued a report which found that the U.S. taxpayer dished out $420 billion to cover military and foreign aid aimed at protecting our interests in the Middle East from 1980 to 1990. That comes out to about $3 per gallon of imported gasoline.

That is the subsidy to help the oil industry. But they oppose investing in our own alternative fuels domestic program, one which assures displacement, assures it, not merely elusive goals, and not merely a study, but actually assures it.

So, the problem is this. The oil industry is telling the U.S. Senate that unless we do it their way, unless we proceed with a business-as-usual approach to energy dependency of foreign sources, then the oil industry does not want us to pass a bill.

They do not want a bill. So you see, in a large sense, the oil industry is greatly responsible for this filibuster.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

The Senator from Tennessee is recognized.

Mr. GORE. I thank the Chair.

(The remarks of Mr. GORE pertaining to the submission of Senate Resolution 213 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. GORE. Mr. President, I would like to briefly address a second subject.

The PRESIDING OFFICER (Mr. EXON). The Senator from Tennessee.

GLOBAL CLIMATE SYSTEM

Mr. GORE. Mr. President, I rise on this occasion to call the attention of my colleagues to what I believe to be an extremely significant development in our effort to understand the intricate workings of the global climate system. In a recent letter to me, which I will provide to my colleagues, Rear Admiral Chesbrough, Oceanographer of the Navy, announced that the Navy had revised its disclosure policy for sea ice data from the Arctic Basin. Previously, the data was classified and therefore unavailable to civilian scientists. Now, after working closely with my staff and me, the Navy has "scrubbed" that data of sensitive information relating to our national security, and the admiral forwarded the ice profiles to my office, and I will soon present them to the experts in sea ice research who have said, to a person, that they believe this data will be extremely valuable in helping to understand what is happening to the extent and thickness of ice in the Arctic Basin.

Of course, as the computer models of global warming have long told us, warming is expected to take place much more rapidly at the poles than at other latitudes, and yet the only record of what has happened to ice at the North Pole is the record compiled by the U.S. Navy, which has traveled for 30 years with nuclear submarines underneath the ice cap carefully making a sonar track and, in the process, collecting a great deal of information about the ice itself.

That record has been properly classified as sensitive for national security reasons. But now a method has been found to protect the national security and give to the relevant experts in the scientific community the record of ice thickness such as it is from those sonar tracks for it to be studied in detail.

I want to take this opportunity on the floor of the Senate to express my sincere thanks to the U.S. Navy and to publicly acknowledge the cooperation they have shown in making this effort a success.

In pursuit of this agreement I might say, Mr. President, I have made two trips to the Arctic Basin, the last one earlier this year to the pole by way of nuclear submarine, and on each of those trips I have met with ice specialists who are extremely concerned about the potential for dramatic changes in the global climate balance, not just because of slow gradual warming, but because at some point that slow process may push us past a threshold beyond which the internal dynamics of the global climate system may reorganize themselves so that ocean current and wind current, which we now take for granted, which have fallen within the same basic pattern within certain boundaries for the last 9,000 to 12,000 years, since the end of the last ice age, those patterns could be subject to dramatic change if we allow the world climate system to cross this threshold.

One of the early warning signals will be in the Arctic Basin in the information about the ice thickness and extent at the North Pole.

The tremendous potential of civilian and defense cooperative research first became clear to me in November of 1989. I actually was with my wife taking our children to Disney World. I noticed a headline in the Orlando Sentinel about the efforts by scientists to gain access to this ice record, and they have denied access—again quite understandably because of the national security considerations involved.

The report in the Orlando Sentinel also indicated that scientists suspected significant changes were occurring in the thickness of the ice in the Arctic, but they could not accurately gauge that change because the best baseline data were in Navy hands and classified.

When I returned to Washington I contacted the Navy to see what might be done. The Navy was immediately responsive, and in March, submarine ice profiling data from three Arctic deployments were released to a panel of sea ice specialists that I had convened to work on this matter and to discuss it further with the Navy.

And we now know that significant changes are in fact occurring in the Arctic. Recently, scientists announced that the Polar ice cap has receded by some 2 percent in just the last 10 years. While previously the ice was known to wax and wane in its extent over the Canadian archipelago, Greenland area, and the region over the East Siberian Sea, never before had the ice been known or measured to shrink in its overall coverage.

There is also evidence of erratic trends, especially on the Greenland side of the Arctic basin. In recent years, there has been, in wintertime, a record maximum extent of ice followed immediately in summertime by a record minimum extent of ice.

Mr. President, this kind of erratic behavior is sometimes associated with a

change in equilibrium on the part of natural systems, as is the case with mathematical systems. But in any event, the findings now available show that indeed there is cause for tremendous concern.

At my request, the Navy has also initiated discussions with a group of researchers at Columbia's Lamont Doherty Geological Observatory. Again, I wish to commend the United States Navy for immediately responding to a set of concerns that have not historically been right in the center of those we have asked the Navy to deal with. But they are true professionals. They understand what is at stake. They also understand how the unique assets and resources of the Navy, with submarines unavailable to anyone else, can be brought to bear in assisting efforts by our Nation to understand this crisis that we face.

Dr. Wally Broecker, an authority on ocean and biogeochemical cycles at Columbia University, and his colleague, Dr. Peter Schlossers, have detected what may be a serious malfunction in what is referred to as the ocean pump—the tremendously powerful sinking mechanism that drive ocean currents worldwide.

Mr. President, as they have explained it to me, the Gulf Stream is part of an even larger flow of warm water from the equatorial regions northward into the North Atlantic toward Greenland and Iceland.

When these warm waters reach the cold air currents coming down off the North Pole, with the prevailing currents coming across the North Pole from Siberia toward Greenland, when those ice-cold air currents reach the warm waters of the Gulf Stream off the Coast of Greenland, there is an enormous amount of evaporation that takes place.

The evaporation rises up into the atmosphere and then is carried by the prevailing wind currents over to England and Europe and, in fact, carries as much heat to Europe as one-third the total heat arriving on Europe from the Sun. So it is an enormous factor in the world climate system.

Indeed, Paris is much farther north than Washington, DC, or New York City, and yet it is significantly warmer. And that is because of this evaporation off the coast of Greenland, coming from the collision of the Gulf Stream and the cold air currents coming from the North Pole.

Now, what happens after the evaporation takes place is not confined, of course, to the transfer of heat over to Europe. What also happens is that the water which is left has a much higher concentration of salt, because when the evaporation of sea water takes place, the salt is left and the ratio of salt to water is much higher. And that means that the remaining water is heavier, denser, colder, and it sinks toward the bottom.

Five billion gallons per second, according to these experts, sink from the Greenland Sea down toward the bottom, and form a cold current that heads back south toward the Equator. This current is equal in volume approximately to the strength and size of the Gulf Stream. It flows underneath the Gulf Stream.

Now, this pump, which relies upon the evaporation of the Gulf Stream in the Greenland Sea, drives the entire ocean current system worldwide. After that cold current, coming underneath the Gulf Stream, heads back toward the Equator, it winds around the Horn of Africa up into the Northern Pacific. Along the way, it also receives cold water coming off the Continent of Antarctica from the melting that goes down to the bottom of the ocean there, and adds force to this cold current as it goes into the Pacific.

When it reaches the Northern Pacific, it then comes up to the surface again, and a warm current heads back to the south, down through the part they call the Straits of Malacca, and then back around on top of the cold current and feeds into the Gulf Stream again.

So that the entire ocean current system of the entire world is a conveyor belt, in effect, to use Dr. Wally Broecker's term. And there are two mechanisms driving that conveyor belt. One of them is in Antarctica; the other one is this ocean pump located off the coast of Greenland, between Greenland and Iceland, in several locations, concentrated in the same area.

Now, Mr. President, what drives that pump is the contrast between the cold temperatures of the North Pole and the warm temperatures of the Gulf Stream. If that difference narrows and the rate of evaporation lessens, then the pump is slowed down or even cut off, and the ocean conveyor belt also then slows down.

Why would anyone think this is a matter of concern? Well, for one thing, the climate historians tell us that, in fact, this happened once before, at the end of the last Ice Age, sometime around 11,000 years ago. As best they can peg the date, it was approximately 8750 B.C.

The receding glaciers, moving northward off the North American Continent, created a huge inland sea of fresh melt water. What we refer to as the St. Lawrence River was the location, according to these scientists, of a large ice dam which melted and then suddenly broke up, allowing fresh water to rush in enormous quantities into the Greenland Sea.

When that enormous quantity of fresh water diluted the salt water of the Gulf Stream coming north, this pumping mechanism was shut off. Northern Europe, which had been coming out of the Ice Age with the rest of the world, suddenly lost this evaporation, the warmth from the evaporation coming across the North Atlantic, and then went back into the Ice Age for another 1,000 years.

How long did it take for that change to occur?

It occurred, according to the scientific record, in less than 20 years. It just suddenly changed, and the global climate pattern adopted a new configuration.

Mr. President, Dr. Peter Schlosser, who works with Dr. Broecker, has been studying the pump mechanism. He and his team of scientists have found—and he just returned from the North Pole on a German icebreaker just a few weeks ago—but in earlier research he found that a critical portion of this ocean pump that operates in the Greenland Sea has been nearly crippled in its capacity to redistribute the warm and cold waters of the Atlantic. In the site studied most intensively, the flow of water out the bottom of that sinking mechanism had decreased by 80 percent in a 10-year period. He has not studied the other sites where this mechanism is in operation in nearly the detail he has been able to devote to this one. But the consequences of this development are potentially extremely serious. European countries still do depend upon that pumping mechanism I have described to moderate their weather. And, of course, the equilibrium of the global climate generally depends upon the continued operation of that pumping mechanism. If this research turns out to be validated in the other areas of the sinking there, then it may be looked back upon as the beginning of the same phenomenon that has been described by climate historians as occurring some 11,000 years ago.

If it happened in only 20 years, 11,000 years ago, then the implications are obvious. We are playing with grave danger. Yet we are continuing to put the warming gases into the atmosphere every single day. All those oil fires in Kuwait, all the wells that were on fire, all the smoke and soot blackening the sky in that entire region represents 1 percent of what the world puts into the global atmosphere on an average day.

We are not as yet certain of the cause of the problems that Dr. Broecker and Dr. Schlosser have detected, and it is for that reason I have asked the Navy to work with them as they have previously been willing to work with the ice scientists. With the help of Navy submarine crews operating on patrol in the Arctic region, the scientists will be able to obtain information that is so critically needed but is obviously prohibitively expensive to individual researchers to obtain on their own.

Mr. President, before I conclude, I would like to touch on one other, this time closely related, matter. The distinguished occupant of the chair is the chairman of the Strategic Subcommittee of the Armed Services Committee,

and I am grateful to him for his efforts in this regard.

I would like to update my colleagues on the cooperative work of the Defense Department, the Department of Energy and the EPA pursuant to the Strategic Environment Research and Development Program initiated by Senator NUNN and myself last year. Through this program, the agencies are meeting to identify resources that can be brought to bear on the issue of climate change in addition to the problem of environmental restoration of Federal facilities. I have seen the outlines of the research agenda that is being prepared, and I am extremely encouraged by the possibility that in due course, information from Department of Defense satellites, sensors, and other resources will be contributed to this effort.

It is also my belief that the intelligence services of our Government hold information, collection capabilities, and analytic talent that can also contribute to the progress of scientific work on the global environment.

At the same time I worked on this matter with the Navy that I described, and with the Strategic Defense Initiative office on supercomputer capacity for climate modeling about which they were very cooperative. I have also, during that 2-year period, been working closely with the intelligence community. I wish to express my thanks to the chairman of the Senate Intelligence Committee, Senator BOREN, and to my colleagues in the other body on the House of Representatives Intelligence Committee for their cooperation in this regard. But, most of all, I wish to express my thanks to and respect for the professionals in the intelligence community who have, again, been extremely responsive to exploring this challenge of how to protect the national security interests in keeping information, that should not be public, confidential and classified while at the same time scrubbing the data in ways that make it possible for climate researchers and scientists looking at the problems of the global environment to be able to use it.

With the help of Senator BOREN, I have met with representatives of the intelligence community on numerous occasions in an effort to explore the potential of this endeavor and its limitations and to find ways to make use of the information, subject, of course, to the appropriate security measures. Having served for a number of years on the House Select Committee on Intelligence, I realize very clearly that this kind of collaboration would be new territory for the intelligence community and that there are important constraints that must be respected. As the initiator of this endeavor, let me say that I have had that concern foremost in my mind from the very start. I have such deep respect for those who collect this intelligence, and, having worked with them for a long time, I also know how important it is to make sure that it is never compromised.

Nevertheless, we are also emerging into a new world, in which an understanding of global environmental developments must take its place alongside older forms of information as a priority matter for Government, and for cooperation between Government and the community of scholars who are at the leading edge of research in this field.

In the course of my work on this problem, I have found already that the intelligence professionals who know how to interpret evidence collected by satellites and by other means do indeed have skills that can be brought to bear in greatly accelerating our ability as a nation and as a civilization to understand the dangerous trends that are underway in the global environment right now. I am also grateful to senior officials in the intelligence community who have allowed this work to proceed, and I will report back to the Senate as this measure is matured and as we have further developments.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. ROCKEFELLER). Without objection, it is so ordered.

UNEMPLOYMENT

Mr. SASSER. Mr. President, 8.6 million Americans, 8,600,000 of our fellow countrymen, woke up this morning with no job to go to. That is 140,000 more Americans out of work since September. In the past month, 140,000 additional people have lost their jobs, making the total unemployed 8.6 million.

This is a figure that tells a story of continued layoffs, continued stagnation. Our economy is still losing ground to this recession, and working Americans are suffering.

What is our policy for recovery? What is this Government's policy for economic recovery?

Mr. President, I am sorry I asked myself that question because we do not have one. There is a deafening silence coming from this administration. The alarm bells are simply ringing off the walls; the advisers are running around like the Keystone Cops while the Chief Executive quietly snoozes upstairs.

The unofficial unemployed rate jumped back today to 6.8 percent but that is far from a true barometer of the economic plight of the American people. If you add in those Americans who are unemployed, and those so discouraged that they have even given up looking for work after looking for it for months and not finding it, then you are talking about 16 million victims of this recession, either unemployed or underemployed. They have lost their full-time jobs and are now working part time. One-and-a-half million Americans have gotten so discouraged they do not even look for jobs anymore.

Mr. SARBANES. Will the Senator yield?

Mr. SASSER. If you add all of that up, I say to my friend from Maryland, that is 16 percent of the work force in this country.

I am pleased to yield to my friend from Maryland.

Mr. SARBANES. The Senator points to a very important factor. We received the testimony this morning from the Commissioner of Labor Statistics on the unemployed rate which has gone up to 6.8 percent. This is up from a rate of 5.7 percent just a year ago.

As the Senator has pointed out, there are 8,700,000 Americans unemployed, and there are 6,300,000 Americans working part time who want to work full time. There are 21 million Americans working part time, a little under 15 million of those want to work part time. That is their choice, but 6,300,000 want to work full time, and they can only find a part time job.

Then as the Senator points out, there are over 1 million additional Americans so discouraged that they dropped out of the work force. This adds up to more than 16 million Americans who are either unemployed or partially unemployed. Just to dramatize this—1 out of every 10 families in this country in the last year has had a family member who has experienced unemployment.

Mr. SASSER. Just to follow on to what the distinguished Senator from Maryland is indicating here this afternoon, a poll recently run by the Washington Times, ABC News found that a majority of Americans now are saying that the fear of losing their job is their No. 1 concern ahead of all others.

When you listen to the figures cited here of joblessness by the Senator from Maryland, then it comes as no surprise that that is the No. 1 fear of a majority of Americans now, and that fear is losing their job. Layoff announcements have really replaced profit reports as the routine part of our economic news. You do not read about profit reports anymore. You read about people losing their jobs.

Here is a sampling from last week, and it reads this way every week: The Compact Computer firm cut their number of employees by 1,400. Last week, General Electric cut another 1,500 employees out of work, another 1,500. Hyatt Hotels laid off another 700. It goes on and on and on, week after week. And no business is insulated, and

no sector of the economy is immune to the job losses or layoffs. It cuts all across the economy. It is not regional. It is not just one industry. It is all across the country, and it crosses industry lines.

Mr. SARBANES. If the Senator will yield, just to support what the Senator is saying, there is a column in this morning's New York Times by the distinguished economic columnist, Leonard Silk, entitled, "Bleak Job Picture Darkens the Mood." He goes on to say:

A good part of the explanation for the bleak mood of consumers and the widespread disbelief that the recession is over is the persistence of unemployment, and, among those who have not seen a pink slip, worry about being laid off."

He then goes on to say, and I am going to read right from the article:

Some of the most prominent American companies, in both services and goods, have announced layoffs. Edward S. Hyman of the International Strategy and Investment Group, noted that, just in October, layoffs were announced by American Express, Pacific Telesis, Hercules, Amoco, Raytheon, Westinghouse, Allied Signal, RJR Nabisco, Boeing, United Technology, Exxon, Sears, Campbell's Soup, Citicorp, AT&T, IBM, Bell Atlantic, Rockwell, Time Inc., General Electric, Wal-Mart, Chase Manhattan, U.S. Shoe, and Phelps Dodge.

All these announcements occurred just in October.

Mr. SASSER. If the Senator will yield, let me add to what my friend from Maryland is saying.

These people losing their jobs now are people who have never been without jobs in their lives, many of them. Solid, middle-income Americans are losing their jobs and being squeezed to their last penny of savings. As they lose their jobs, and as they fall, they are reaching out for a safety net that has been shredded by arrogant neglect.

Let me give an example of what I am talking about: The Department of Agriculture reported on Wednesday that nearly 24 million Americans received food stamps in August. That means that 1 in 10 Americans are now receiving food stamps—and that is a 26-percent increase in the number—since George Bush took office. It is an all-time record.

What astounds those who run this food stamp program is the sharp rise in middle-class food stamp recipients.

I see the distinguished senior Senator from Connecticut on the floor, and I know how concerned he has been over a period of time about this economic recession, and the hardship it is causing in his State and in New England. But listen to what one food stamp worker says in Boston: "We are getting calls from people who always had a full work history and never needed public assistance of any kind."

Mr. President, that remark should send a shock of recognition through this Senate. There is a real possibility that this recession is something more than the inevitable turn of the business cycle. It may demand that we do more than quietly wait for the cycle to spin us out of trouble. The upward turn just may not come.

Mr. SARBANES. If the Senator will yield, what the situation cries out for is a President of the United States who will manifest some concern about this situation and is prepared to take action.

It is just incredible. Here we have the unemployment rate up to 6.8 percent today, and food stamp recipients are at all-time high. Indicators are down. The morning paper has stories that factory orders show a drop of 1.7 percent in September which is the second straight monthly decline, the Commerce Department said. The article goes on to say that "the recovery is in trouble."

There is an article here, "Optimism Is Blighted in the Midwest: Across the American Midwest, Traditional Home of Industry and a Can-Do Optimism, a Mood of Hesitancy, Mistrust and Disorientation Seems To Have Taken Hold."

What depresses many people in the Midwest is a sense that things cannot get better in the foreseeable future. Few perceive that the Bush administration has the means to revive the economy.

Then the President holds a meeting at the White House with these so-called economic advisers. Listen to this:

After his meeting in the Cabinet Room, Mr. Bush spoke to a group of small business executives who had been invited to the White House. He spoke to the businessmen briefly during a photo session—

We know about those. We have a lot of those photo sessions around here—

during a photo session, the President said the economy has "turned the corner," and was "headed for recovery." But he quickly added, "I am still concerned about the economy. It is not as strong as we obviously would like it to be."

We have been hearing this short and shallow refrain all year. This recession, if it runs for another 2 months, will be the longest recession in the post-World War II period. Bush and his economic advisers keep calling this a "short and shallow" recession. If the recession runs another 2 months, it will exceed in length the 1974–75 and the 1981–82 recessions, and it will be the longest recession of the eight recessions we have experienced in the post-World War II period.

Mr. SASSER. The Senator from Maryland is precisely correct. President Bush took office in January 1989. There are 2 million more Americans unemployed today than when he took office, and 5 million more American receive food stamps today than the day George Bush took office. And the confidence—the distinguished Senator from Maryland I think has a chart that demonstrates this—of American consumers is half of what it was on inauguration day.

Let me just say this: President Bush is the first President since Herbert Hoover to preside over a decline in the standard of living of the American people. Let me just demonstrate with this chart——

Mr. SARBANES. If the Senator will yield, he has made reference to the consumer confidence index. This is a figure reported by the Conference Board, a private sector organization. This chart shows that consumer confidence took an incredible downturn in 1991. It started to come back, but now look at what happened. It has gone down again, almost equal to the low point, and these low points were last reached in the depths of the 1981–82 recession—some would even call it a depression. It was the worst we had experienced since the 1930's. Consumer confidence is now back down to this level.

This is a very worrying figure here, and it reflects what consumers across the country are feeling. Yet, the President is saying, right in the face of this kind of attitude, that the economy has "turned the corner" and has "headed for recovery."

(Mr. BRYAN assumed the chair.)

Mr. SASSER. Just let me say to my friend from Maryland, if middle-income Americans are surviving on food stamps, and we are seeing that all across this country, they certainly are not out buying consumer goods. And no wonder consumer confidence has plunged to new lows.

Let me illustrate to my friend from Maryland—and I see the distinguished chairman of the Senate Banking Committee, Senator RIEGLE of Michigan, has arrived on the floor. I know he is interested in this, and has held hearings dealing with this particular problem. But the common statistic or the common tool used by economists to determine whether or not the standard of living is going up or going down is annual real per capita growth of the gross national product.

We have studied this phenomenon, and using statistics supplied by the Commerce Department of the administration, we find that the Bush administration is the first administration since the Second World War to preside over a negative per capita GNP growth rate; the first one, really, since the administration of Herbert Hoover.

It is absolutely shocking. In the 3 years that this administration has been in office, the real per capita GNP growth of Americans has declined by three-tenths of 1 percent, the first time in over a half century.

Now, my friend from Maryland was saying that the President was saying that more jobs are right around the corner. Sixty years ago, another President, Herbert Hoover, told everyone who would listen that prosperity was just around the corner. That prosperity proved to be a hairpin turn that we nearly failed to come out of, economically, socially, politically, and every other way.

Mr. RIEGLE. Mr. President, will the Senator yield at this point?

Mr. SASSER. I am pleased to yield to my friend from Michigan.

Mr. RIEGLE. Mr. President, obviously part of the economy is a little stronger. There is a story today in the Washington Times. The headline is "Bush Collars First $1 Million of Campaign." This talks about a big fundraising event that just took place down in Texas. It said, here in this article in the Washington Times:

During the rip-roaring fund raiser, the President pledged to veto any new extension of unemployment benefits that isn't pay-as-you-go.

It goes on to say that the President and the Vice President are out there working on the economy—this is on the economy of their campaign account—and they are going to raise a total of $3 million in their first 24 hours of raising money for their reelection. They have an event scheduled today down in Dallas, and it says here:

Mr. Bush will attend a Dallas doubleheader today—a reception hosted by financier T. Boone Pickens to raise $750,000 for GOP redistricting lobbying, and then another boots-and-bow-ties campaign dinner. Mr. Quayle will travel back home to Indiana to raise another $250,000 for the cause.

Why is this relevant? Because there is time being spent, obviously, on this effort, to go out and make a major effort to raise campaign money. And obviously the people who are giving this money are not the ones who are feeling the great damage of this recession. This is part of the problem. That is, that there are some people in the country obviously well insulated from the recession, not bearing the brunt of the recession, and it is not hard for them to write these big campaign checks and go out and rake in some $3 million over a 2- or 3-day period of time here.

But this very money that is coming in, a lot of it was produced by the tax cuts, the capital gains and other preferential treatments, and so forth. Being talked about now is a replay of the tax cuts of the 1980's that have generated the very strong economic conditions of some, and we now see that coming back in here.

Mr. SASSER. Mr. President, will the Senator yield on that one point?

Mr. RIEGLE. Yes.

Mr. SASSER. I saw some recent statistics that the Senator may find interesting. During the decade of the 1980's, the income of the richest 1 percent, the richest 1 percent in this country, their income went up by 100 percent during the decade of the 1980's, while their tax liability went down—went down—by 8 percent.

Mr. DODD. Mr. President, will the Senator yield on that point?

Mr. SASSER. I will be pleased to yield.

Mr. DODD. The actual numbers are real income, after-tax income went up 10 percent, and their Federal taxes declined by 15 percent. So the actual numbers are a decline of 15 percent in Federal taxes and real income, after-tax income went up 10 percent through 1980 and 1990.

Mr. SARBANES. Mr. President, it is absolutely incredible, when you contrast what has happened for the very wealthy in terms of this overwhelming increase in their after-tax income, with what is happening to ordinary working people.

Now, the Labor Department issued this week a release, and I am just going to quote two paragraphs from it.

Nearly one family in 10, 6 million families in all, was affected by unemployment in the third quarter of 1991, the U.S. Department of Labor reported today. Reflecting the deterioration of the economy between 1990 and 1991, the number of families with at least one unemployed member rose by about a million between the third quarter of 1990 and the third quarter of 1991.

Over the same period the median weekly earnings of families with members employed as wage and salary workers rose by 1.8 percent. This was less than half of the 3.9 percent increase in the consumer price index.

The dollar amount of earnings for middle-income individuals rose by 1.8 percent. But the prices of what they had to buy with their earnings rose by 3.9 percent. So prices went up more than their income went up. What that means is that their standard of living at the end of that year was lower than their standard of living had been at the beginning of that year. They are worse off today, not better off.

Mr. DODD. Mr. President, if my colleague will yield on this point, I went over these numbers frequently over the last week or so. Let me project that out, having just responded, to the decade of the 1980's, when it came to the top 1 percent of the income earners. Take, if you will, the income earners with incomes—you would hardly call this middle class, but for the sake of discussion—people with incomes of around $12,000 a year up to about $75,000. By anyone's definition, that includes middle in this country. People in this category, which represent 98 percent of the people of this country, their Federal taxes went up about 2 percent on the average, actually a little higher in some, a little lower in others.

Their after-tax income, wages and income, declined in that 10-year period by 7 percent. And just to confirm what the Senator from Maryland has said, let me give you an idea of what happened to costs of goods and services during that 10-year period. Housing costs went up in the neighborhood of 170 percent. Public college tuitions went up nearly 530 percent in that 10-year period. Private higher education tuition costs went up in excess of 250 percent. Health care costs went up in excess of 300 percent in this country.

So at the time that real wages after taxes were declining for middle-income people, and their Federal taxes were going up, the cost these people were paying for basic things like housing, education, and health went up through the ceiling. So when you see what has happened to that income category, that group of people, versus the top 1 percent, you begin to get a flavor of why it is so difficult for people to make ends meet.

I want to commend my colleagues, by the way, while I am here. These Senators, I should point out to our other colleagues, have been involved in this for so long. I am recently involved in these questions, and obviously, in our part of the country, we have felt it.

The distinguished chairman of the Banking Committee, and in fact, my colleague from Tennessee and my colleague from Maryland, who serve with me on the Banking Committee, know what the credit crunch has meant to us in the New England States, as well.

We found one lending institution after another folding, closing their doors; people who are creditworthy being denied credit, trying to expand and grow, having a devastating effect on our economy.

And for the last 2 years, or approximately 2 years, we have tried desperately to get the Treasury, the FDIC, the Office of the Comptroller of the Currency, and the Federal Reserve Board to pay attention to this, to understand what it means to small businesses and medium-sized industries and to individuals when that credit window slams shut. And we see these institutions that could have survived, quite frankly, with a little creative help, would have made a difference in terms of their being around. It ultimately costs the American taxpayers a fortune because of having to pay the cost of bailing out these institution. It has been devastating to us.

And, frankly, I hear my colleagues talk about the economy and talk about some of the President's statistics. Maybe he is talking about some of these other places we are helping out. Maybe it is Cambodia, maybe it is Bangladesh, maybe it is in Spain. Maybe in Madrid the prosperity is just along the way. Maybe some of the Baltic States, the Soviet Union, the PRC.

By God, we seem to have spent an inordinate amount of time in the last 18 months designing an economic plan for every country of the world, yet I cannot get anybody to pay attention to Bridgeport, CT, that has gone bankrupt, or to people in Hartford or New Haven that have lost their jobs. But yet we seem to have a plan for everybody else in the world.

And all the American public is saying is, "Can't we at least be at the top of the agenda, the domestic issues here at home? Don't we deserve at least as much consideration as these other nations in the world?"

I am not advocating and would not suggest the President abdicate his re-

sponsibilities in foreign policy. That would be the height of irresponsibility. But I would like to think this country came first. I would like to think that were the case.

Mr. SARBANES. If the Senator will yield on that point.

The President of the United States found emergencies overseas in the course of 1991 in order to send assistance abroad, and, therefore, he used the provision of the budget agreement which said he could go outside of its parameters if he found an emergency, and the Congress agreed with him. The President came to the Congress. He said, "I think there is an emergency overseas. We need to provide some assistance." The Congress said, "We agree with you, Mr. President. We will provide this assistance," but that was at the President's initiative.

Then we tried to get the President to recognize an emergency at home for the unemployed workers of America who have used up their benefits, who do not have any income, and who are confronted with the problem of how they are going to pay their mortgage or their car payment or put food on the table. We asked the President to declare an emergency to help these Americans here at home, and the President would not do it.

In mid-August the President could have found an emergency and unemployment benefits would have flowed to the millions of Americans who had exhausted their benefits. He refused to do so. Just last month we sent him a bill finding an emergency in order to pay these unemployment benefits, and he vetoed that bill.

So we cannot even get parity for America. I agree with the Senator. If America is not strong at home, we are not going to be able to project strength abroad. We cannot even get parity for Americans out of President Bush. He is giving more favorable treatment to people overseas than he is giving to people here at home. We need a most-favored-nation status for our own people, for our own Nation.

Mr. DODD. If the Senator will yield, I am curious about one statistic. These unemployment numbers that came out today, and yesterday in my home State of Connecticut, came out about noon today. Am I correct, if you have exhausted your benefits you no longer are calculated? If you do not show up on anyone's list, you are no longer calculated in the numbers of the percentages of unemployed? Is that correct, I ask the Senator from Tennessee or the Senator from Maryland.

Mr. SASSER. The Senator from Maryland is the expert on this matter, and I defer to him for the answer.

Mr. SARBANES. If you become so discouraged in your job search by the bad economic times that you in effect drop out of the labor market then you do not get counted. There is something over 1 million Americans in that category.

There are 8.7 million Americans who are unemployed. They are looking for work and they cannot find work. That is where we get the 6.8 percent unemployment rate. And there are 6.3 million Americans who are working part-time who want to work full-time. Now, if you count all three of those categories to get an unemployment rate, the unemployment rate today is 10.1 percent. That is the comprehensive unemployment rate, over 10 percent.

But if you have exhausted your benefits and are looking for a job, you still get counted as unemployed. Where you do not get counted is you do not get counted in the unemployment system in order to trigger a State for paying extended benefits. No State is currently paying extended benefits.

It is incredible what has happened in this country. We have had this recession which now is almost the longest recession in the postwar period. There is the basic 26 weeks you get in unemployment insurance. In every other recession we have provided extended benefits for a longer period of time to try to carry people through. If you lost your job a year ago, when the unemployment rate was 5.7 percent by now, you would have used up your 26 weeks of benefits and you are now looking for a job in a job market where the unemployment rate is 6.8 percent. In other words, you are out there now on the street trying to find a job in a job market that is significantly worse than when you lost your job.

In every other recession, we provided extended benefits to the unemployed. This chart shows the number of persons receiving extended benefits during Ford, Carter, and Reagan. This point shows the number of persons currently receiving extended unemployment insurance benefits. It is almost zero. I do not know if you can see it from there.

Mr. DODD. Barely.

Mr. SARBANES. Barely. Well, this is this time under President Bush. They are not providing these extended benefits, even though the trust fund into which employers pay for extended benefits is now showing a large surplus. They have collected this money for the explicit purpose of paying extended benefits, and they have not paid them. It is an abuse of this trust fund. You have millions of Americans unable to provide for their families, and it is a tragic situation.

Mr. DODD. If my colleague will yield, I have held now three hearings in the State of Connecticut on unemployment benefits. There are now 60,000 families in the State of Connecticut who have exhausted their unemployment benefits. It is an unprecedented number of people in a State, that prides itself in having a healthy economy which contributed to significantly to the defense of this country. 60,000 families have exhausted their benefits.

I am not exaggerating when I tell my colleagues that we had citizens come forward at those hearings and it was not uncommon that the witnesses said they have submitted as much as 750, 800, 1,000 résumés around the country, skilled people who have never been without work in their lives. Never. These are people who worked in our defense industries, people who are engineers, who are scientists, who are draftsmen, designers, for the first time in their lives, have never, never, even imagined themselves being caught in that category. Today 60,000 of them, heads of households in our State, have lost those unemployment benefits, and the number is going up on a daily basis.

That is a fascinating report the Senator gave, the fact that President Reagan and President Ford understood the importance of that issue and were willing to step forward and use the fund for which it was created and we now have an administration that will not even recognize that. That is reprehensible in any view.

Mr. RIEGLE. If the Senator will yield at that point. You know, we are out here today, I think, making the point about what is happening to the economy and the failure to respond to it. I would say that even some of our friends on the other side of the aisle, while they are not out here today, are also beginning to understand and express some alarm about it, although it tends to be in a political context.

I see here a story today in the Washington Times. It says, "Bush, His Party Split on Economy." I want to read just a little bit of it. It says:

> The economic slump is driving a wedge between the White House and congressional Republicans.
>
> While President Bush's advisers preach caution, House Republicans are pleading for him to enter the political debate over how to spur economic growth. In the Senate, economic woes have already begun to take a toll.
>
> During a leadership meeting at the White House yesterday, Sen. Phil Gramm, chairman of the Republican Senatorial Campaign Committee, told Mr. Bush that former Attorney General Richard Thornburgh has only a 50-50 chance of defeating incumbent Democrat Harris Wofford in next week's special election.
>
> Mr. Gramm did not blame Mr. Thornburgh's troubles entirely on the recession, but operatives in both camps say anxiety over the economy has boosted Mr. Wofford's populist, outsider campaign.
>
> The threat of losing the Pennsylvania seat has led Mr. Gramm and others to pressure the White House harder than ever to take a bold stand on economic growth.

We need economic growth. It looks to me here as if the people of Pennsylvania have an opportunity next Tuesday to send a very powerful signal down here to force a change in the economic plan that will start producing some jobs in this country.

A little bit later in this article it says, and all these are quotes:

Mr. Bush's caution reflects the influence of Treasury Secretary Nicholas Brady and Budget Director Richard Darman. Neither wants to reopen the capital gains debate, which in the past has made the president look like a guardian of the rich and a Scrooge to the poor.

Until recently, most Republicans sympathized. Now they've begun to fear running alongside the "recession president."

Members are very concerned," said Rep. Tom DeLay of Texas. "We're not getting any leadership. We're telling them [the White House]: 'Just be for something!'"

So you even have, here, a case of somebody in the other party who is beginning to see this damage pile up. While it is in a political context, now they want some action. "Just be for something."

Let us be for something that is going to help the people. Let us be for something that is going to provide jobs in America. Not a free trade agreement with Mexico which is a jobs program for Mexico; or special trade arrangements with China, which is a jobs program for China; or special arrangements for Turkey, jobs programs for Turkey or for Kuwait or for these other countries. We need jobs here in the United States. People are desperate for work. They want to work.

As the Senator from Connecticut has said, we are talking about people unemployed for the first time maybe in decades of a work history and a work record; people who are looking for work, sending out as many as 1,000 resumes, and there is no work to be found.

Meanwhile, the President has time and the people around him have time for every country on Earth. The other day they announced they had a new plan for Cambodia. Most people cannot find Cambodia on the map of the world.

I have asked the President and the Labor Secretary to go out and visit some of the unemployment offices in Tennessee, or in Maryland, or Connecticut, or Rhode Island—certainly to come to Michigan. We have 170,000 people in Michigan right now who have lost their unemployment benefits, are out of money and cannot find work.

So this administration needs to address its attention to the problems of this country. I think the people of the United States want that done. That is what the polling data is now telling us, that people in this country say it is time to move and put America No. 1 on the list.

Mr. SASSER. Mr. President, I see the distinguished Senator from Rhode Island has arrived on the floor. The State of Rhode Island has been hard hit by this recession. I yield, now, to the distinguished Senator from Rhode Island to address this problem.

Mr. PELL. Mr. President, I thank my friend from Tennessee for yielding to me, as I have to catch a plane. I appreciate it very much.

He is right; in Rhode Island we are really suffering. We had 7,000 citizens line up in the pouring rain the other day to get a little bit of food out of the surplus food program. The unemployment figures released by the Department of Labor demonstrate that the economic recovery long promised by the administration has not yet arrived. It is yet to come.

The latest unemployment figures, national ones, show unemployment increasing to 6.8 from 6.7 for the month of September.

In my State of Rhode Island I regret to say the figures are now 9.6 percent unemployment.

I have spoken before about the thousands of Rhode Islanders who have been devastated by the poor economy and forced to wait in line for surplus Federal food.

Now I am told Rhode Islanders will be receiving leftover supplies from Operation Desert Storm to help them through the bad economic times we live in.

I find it ironic that our Nation spends billions of dollars to wage a war in the Persian Gulf, but all we can offer to Americans in need are the field rations leftover from that war.

This assistance is welcome, but we should be able to do more.

We should provide the extended unemployment benefits that will allow the victims of our terrible economy to ride out these troubled times.

Despite congressional approval of these extended benefits, this assistance has been denied because some believe prosperity is just around the corner. The question is what corner and how far do we have to go to get to that corner?

In reality, the current unemployment figures do not reveal any light at the end of the tunnel. Economic indicators related to manufacturing figures paint an equally gloomy picture.

The Commerce Department reports that orders for manufactured goods continued to decline in September for the second straight month. The National Association of Purchasing Management also reports that its monthly index of business activity has dropped from the previous month.

Mr. President, I may be warm here in Washington today, but winter is almost here. In my part of the country, winter is a very, very hard time for those in need. The hard times we are experiencing will get worse unless there is help.

The quickest way to deliver this help would be for the administration to recognize the suffering that is taking place on the home front and approve the extended unemployment benefits program that has twice been sent to the President for his signature.

The time has come to lift the veil from our eyes and recognize we cannot just be patient and wait for economic recovery, we must act now before the bitter cold is added to the bitterness of unemployment and hunger.

Mr. SASSER. Mr. President, I thank the Senator from Rhode Island. I think it is a sad commentary that the people of Rhode Island the distinguished chairman of the Foreign Relations Committee has spoken of so eloquently here this afternoon would be reduced to sustenance by relying on the same MRE meals that our military was passing out to the Kurdish refugees in the Middle East.

Mr. PELL. If the Senator will yield, I would not be surprised if we got old ones from World War II or the Spanish-American War, the way they look after our people.

Mr. SARBANES. Mr. President, I want to express my very deep appreciation to the Senator for his very steadfast efforts on this issue throughout these many months, fighting here to respond to the situation of the unemployed.

I want to contrast the fact that the distinguished Senator from Rhode Island, who is chairman of the Senate Foreign Relations Committee and therefore has a direct responsibility for dealing with America's problems internationally, has the vision and the perception and the understanding to be concerned about the problems of Americans here at home, all Americans, and especially the citizens of the State of Rhode Island with the actions of President Bush. I wish the President of the United States could show the same dimension of concern for the problems here at home instead of only being concerned about what is happening abroad.

The distinguished chairman of the Foreign Relations Committee, who has the responsibility to look after our international obligations, has manifested throughout this effort a very deep concern for what is happening here at home. He understands what American working families are going through and has fought with us, every step of the way, to try to respond to their problems and to address their need.

I not only thank the Senator for his statement, but for his consistent efforts throughout this period to try to do something about the unemployed. I wish the President of the United States would manifest the same concern and the same attention to this pressing problem.

Mr. PELL. I thank my colleague and friend very much.

Mr. SASSER. Mr. President, the distinguished Senator from Maryland, as my colleagues know, also serves as the chairman of the Joint Economic Committee. The Senator from Maryland has been at the forefront in urging the President and this administration to respond to the problems in this economy and more specifically, to respond to the needs of the unemployed that are among us.

Here are the kind of responses that we have been receiving. Bear in mind,

on two separate occasions this body has passed a bill to extend exhausted unemployment insurance benefits to the millions of Americans who have exhausted those benefits by virtue of having been out of work for so long. On two separate occasions we have sent to the President legislation to extend these unemployment benefits, and the votes here have been large votes affirming the view of the Members of this Senate.

And, indeed, the Members of the House of Representatives have voted likewise, affirming their desire that these needs of our citizens be met. On two separate occasions, the President has vetoed, has killed this effort on the part of the Senate, led by the distinguished chairman of the Joint Economic Committee, to alleviate the suffering of the millions of unemployed across this country.

But what makes it even worse are statements that have been made by representatives of this administration. Just let me read one.

The Secretary of Labor who has the responsibility for being the spokesman for working people across this country, here is what she said about our efforts to extend the unemployment compensation that had expired, to extend it to those who had lost their benefits through no fault of their own. She wrote:

> The administration is concerned that while the objective of this bill is to provide additional income protection for workers, the result of the bill would be slower reemployment.

In other words, if you alleviate the suffering of these people and give them the unemployment benefits that they have paid for, that their employers have paid for, that they need, that are much less than the salary they would get if they were working, that this would be an impediment to these workers going back to work. In other words, these unemployed people are lazy and they do not want to work, so says the Secretary of Labor.

And prior to that, the Director of the Office of Management and Budget came out and said that expanding benefits would increase unemployment; this expanding these benefits would increase unemployment because "it has the perverse effect of becoming an incentive to be unemployed."

That is the administration's view of the work ethic of the American people.

In my State of Tennessee, last week a company in the western part of my State advertised that 10 jobs were available. By 7:30 in the morning, 800 people were lined up out in front of that business establishment, 800 desperately wanting a job, desperately wanting to work. And the Secretary of Labor and the Director of the Office of Management and Budget, in the face of this, says, in essence, that they are unemployed because they are too lazy to work.

Mr. SARBANES. Will the Senator yield on that point?

Mr. SASSER. I yield to my distinguished friend from Maryland.

Mr. SARBANES. Mr. President, that same Secretary of Labor this morning commenting on the increase in the unemployment rate up again to 6.8 percent said:

> The virtually unchanged unemployment rate of 6.8 percent—

You say virtually unchanged when it goes up like that—

> coupled with yesterday's announced decrease in the number of initial unemployment insurance claims is the sign that the economy is pointed in the right direction.

Budget Director Darman all year long has been saying the light is at the end of the tunnel, the recovery is right around the corner. They will not recognize the problem. They will not even admit that we have a problem on our hands, even though you have all of these distressing figures.

There is no sign of a sustained recovery. New orders for durable goods were down 3.2 percent in September, and they were down 4.1 percent in August. The home building industry, which has usually been a leader out of the recession is in bad shape. Housing starts and building permits have both fallen since July. Sales of existing homes have fallen for 3 straight months.

We talked earlier about the current state of consumer confidence with respect to the economy. It fell 12.5 points in October to 60.4 on the conference board index. That is only 6 points above the very low level it reached in the 1981–82 recession. Consumers are not going to bring us out of this recession because they do not have the money to spend, and they are overloaded with debt.

Now we have all of these indicators and, meanwhile, the administration is whistling through the graveyard. They have to recognize the problem.

The President himself comes out of a meeting with small business people and says, "The economy has turned the corner and is headed for recovery." Who are they kidding? Then they are going to point to the fact that the GNP figure for the last quarter went up 2.4 percent.

Let me just comment on that. We had three straight quarters of negative GNP growth. Then we had a positive quarter with 2.4-percent growth. Of the eight previous postwar recessions, in six of them, we had positive growth followed by negative growth. In other words, we may be headed for what is called a double-dip recession. You come up a little bit and then you go back down.

The amount of growth, the 2.4 percent, is by far the worst record of any recession in the postwar period. Usually you come out of a recession with a really significant growth period. This is very anemic growth by past standards in recessions. In addition, consumer spending for autos and new housing is down, real spending by State and local governments is down, and durable goods orders are down. The administration is living in some kind of dream world when the Secretary of Labor, the Director of the Office of Management and Budget, and the President himself, can make these kind of statements.

Mr. SASSER. Will the Senator yield just on that point? On the question of the 2.4 percent real growth in GNP for the third quarter of 1991, the real story in that is that growth in September at the end of the quarter was decidedly weaker than growth in July at the beginning of the quarter.

Mr. SARBANES. That is right.

Mr. SASSER. What we find is that automobile sales, for example, are 15 percent below where they were in July. The economy is getting sicker. In other words, this economy is weaker as we go into October than it was when we went into July 1991.

Mr. SARBANES. The Senator is absolutely right. It is a very important point to make. I was making the point that the overall growth for the quarter was very weak compared with past recessions.

But what the Senator has developed is an even more important perception, and that is that even this anemic growth was split between higher growth at the beginning of that quarter and lower growth at the end of that quarter. So, as we move into the period in which we now find ourselves, we do not have an economy picking up in strength, we have an economy trailing off in strength.

Mr. SASSER. An economy that is giving every indication that it may do just what the distinguished Senator from Maryland indicated, and that is spin off into a double-dip recession. In other words, the economy went up just briefly in July and then it trailed off again with very, very weak numbers in August and September. And it looks worse in October.

Now, the distinguished chairman of the Banking Committee knows this as well as I, but the chairman of the Federal Reserve Board, Dr. Al Greenspan, indicated just a few days ago that the economic growth figures were disappointing. And there is widespread speculation now that there might be an effort to further loosen monetary policy, to lower interest rates to try to give this economy a shot in the arm. But that has not worked. That has not worked.

Mr. RIEGLE. Will the Senator yield just for a minute on that point? It relates to what he and the Senator from Maryland have just said.

This is another story out of today's Washington Times newspaper on the weakness of the economy right now. The headline on this story is, "Fresh

Dip in Orders Triggers New Fears." I want to read the first three paragraphs. It says:

Orders for manufactured goods dropped 1.7 percent in September for the second straight monthly decline, the Government said yesterday, raising fears of production and job cuts in an economic sector that had been doing well.

"It says the recovery is in trouble," said David Jones, an economist with Aubrey G. Lanston & Co., a New York securities dealer.

The National Association of Purchasing Management reported separately that manufacturing eased in October to its slowest pace in three months.

Now, this relates to the point that was just made about the fact that in the last quarter, the first month of that quarter was stronger but it was getting weaker through the quarter. And they carry that forward here to say that manufacturing eased in October to its slowest pace in 3 months.

The trade group said its purchasing managers' index was 53.5 percent in October against 55 percent in September. A reading about 50 percent indicates manufacturing is growing.

But this obviously shows a decline. So that we may very well be headed into a double dip.

And then it concludes this way:

The decline, which followed eight months of increases in the index, could spell trouble for the overall economy.

I just want to introduce one other item to this. That is to put the trade deficit on top of this, because the United States in the middle of the 1980's left this international credit position that we had been in, going back all the way to 1914, and during this period of Reaganomics you can see there was a dramatic change in our economic situation. We crossed this debtor nation line, not only became a debtor nation but we have now gone rocketing down this line so that we have passed every other nation.

We hear about all of the economic problems in the Soviet Union. We owe more money to foreign countries today than any other country. And it is getting worse each day.

If you add to that what is going on in the banking system—we hear about the Great Depression of the 1930's. Well, here is a chart that starts in 1930 and comes right on up to the early 1990's. This is how many bank failures we had during the Great Depression.

Mr. SASSER. Is that 75 bank failures?

Mr. RIEGLE. Yes, 75 bank failures.

Mr. SASSER. At the highest level.

Mr. RIEGLE. At the highest level in the recession. Then as you see when the recession——

Mr. SASSER. This is the Great Depression of the thirties.

Mr. RIEGLE. Yes, this is the Depression of the 1930's. But then it ended. And you see us coming through the 1940's, 1950's, 1960's, 1970's and up to the 1980's with almost no bank failures. But then look what happens when we get into the 1980's. I frankly think this was due to the speculative excesses of the Reaganomics that we were talking about before.

Look at this explosion of bank failures and look at where we are here. This is what has emptied the deposit insurance fund. The fund is broke. We are going to have to have a bill up here on the Senate floor perhaps this coming week to borrow money to put into the insurance fund just so that money will be there to cover the additional bank failures that are out ahead of this.

But all of this piles up one thing on top of another. If you do not have an economic strategy, this is what you start to get. You start to get major parts of your economy caving in. You get a very perverse and damaging situation developing in your trade area which takes millions of jobs out of this country.

Mr. SARBANES. Will the Senator go back to that chart for just a second. I think this is a very significant chart. The United States was a creditor nation. In other words, others owed us more than we owed them ever since World War I.

Mr. RIEGLE. Yes.

Mr. SARBANES. Ever since World War I we held a creditor position, a strong international financial position. Then in the 1980's, because we were running these large trade deficits year in and year out, and the administration would not do anything about them, we passed into a debtor status. It gets worse year by year by the amount of our trade deficit.

How can you be a world power and be a debtor nation? I submit that there is a basic inconsistency in those two things over any extended period of time. You cannot ride into town standing tall in the saddle if you owe money to everybody you see on every street corner, and that is the situation in which the United States is finding itself.

Mr. SASSER. If the Senator will just yield on that point for one moment, the distinguished Senator from Maryland earlier in this discussion indicated that the standard of living, in essence, for middle-income Americans was falling because their purchasing power was not keeping pace with inflation. So the real quality of their life is declining.

Now, one of the reasons for the standard of living declining for the average American family is right here before our very eyes. We are paying more of our national wealth in interest for money borrowed from abroad to finance the deficit operations of the Reagan and Bush administrations. And year in and year out that wealth that is produced by the sweat of the brow of the American workingman and workingwoman, that wealth is going abroad to pay the interest on this money that is being borrowed.

Mr. SARBANES. The Senator is absolutely right. What being a debtor means is that you have to produce an extra margin to pay your debts abroad instead of using it for your own standard of living.

So the consequence of this is that you have to work but you cannot fully realize the benefits of that work because some of those benefits must be sent out of the country in order to service that debt.

Mr. SASSER. And we see—if the Senator will yield just a moment—now in this chart that our chickens are coming home to roost on us. Every President since World War II—John Kennedy had a growth rate of 3.5 percent per capita GNP; Lyndon Johnson right behind him with 3.3 percent growth. Even Ronald Reagan here had a 2.1 percent growth, and we were eating up our seed corn to do that. That is when we became a debtor nation, was during the administration of President Reagan. Our chickens have come home to roost on us now here in the administration of George Bush because we are sending so much money abroad. We are becoming noncompetitive, and we are seeing here that the standard of living in the Bush administration, for the first time since World War II, is going down for the American citizen as the annual per capita GNP growth rate declines. We have no economic policy. And that is the problem that is facing the citizens of this country.

Mr. SARBANES. I submit not only does the administration not have a policy, they will not even recognize the problem.

Mr. RIEGLE. That is what happened in this meeting at the White House. Even some of his Republican colleagues came in and said it was a problem, and they do not want to believe it.

Mr. SARBANES. The Senator quoted the Secretary of Labor and the Director of the Office of Management and Budget. They do not even listen to what Alan Greenspan said about the economy.

About a week ago he said this about the economy:

In recent weeks, it turned demonstrably sluggish. The sparks visible earlier in the summer are no longer apparent. The economy is moving forward but in the face of a 50-mile-an-hour headwind.

We have a quote from the Secretary of Labor saying that nothing has happened. It is all sweetness and light. She is going to put the best gloss on this thing. This is today based on the increase in the unemployment rate:

The virtually unchanged employment rate of 6.8 percent coupled with yesterday's announced decrease in the number of initial unemployment insurance claims is a sign that the economy is pointed in the right direction.

Now, initial unemployment claims the previous week were the highest they have been since March. They went

over 450,000. Then this week they dropped back to 405,000. But the running average is much higher than it has been over the summer. So it is this Pollyanna. They are wearing these rose-colored glasses when they look out at the economy, and they keep coming to us and saying there is nothing wrong.

Meanwhile, people are falling off the end of the Earth as far as this economy is concerned.

It is just an outrage what is happening in this country.

Mr. RIEGLE. Will the Senator yield?

I wanted to cite another paragraph out of this story in today's Washington Times, if I may, on this very point. This is this meeting they had yesterday at the White House. Some Republican Members of the Congress went down asking for action, and were turned down. But this is what it says:

Until recently, most Republicans sympathized.

With doing nothing. That is my addition here.

Now they've begun to fear running alongside the "recession President."

Representative TOM DELAY of Texas said:

Members are very concerned. We're not getting any leadership. We're telling them [the White House]: "Just be for something."

These fears came crashing down on Mr. Brady at a Wednesday meeting with House Republicans. At least 10 lawmakers—moderates and conservatives—demanded to know what the White House was going to do about the economy.

According to participants, Mr. Brady said the White House would do nothing until it could be guaranteed victory on the House floor.

Then this House Member says:

Members just couldn't believe what they were hearing.

The point is they do not want to do anything. They do not want to acknowledge the problem. Part of the reason they do not want to acknowledge it is they helped created it. There are 11 years now of Bush-Reagan and Bush-QUAYLE, stretching over that whole, long period of time. It has created that huge trade deficit that I showed a moment ago.

Look what it has done to the Federal budget deficits. These are our Federal budget deficits from 1981 up through 1992. This scale is notched in $50 billion segments. You can see how these Federal budget deficits have been rising, rising, rising; almost a half a trillion dollars, approaching $500 billion for 1992. This is what Reaganomics has given us.

It is not just the trade deficit that I was showing awhile ago where we now owe all this money to foreigners and are sending all of this interest money out of the country. But look at this pattern of deficits. They put these Gramm-Rudman-Hollings budget programs in here that were supposed to bring these deficits down to zero. In this case, by 1991. It was a fraud at the time. It did not work. The deficits did not come down. We see that they went up.

Then we had Gramm-Rudman-Hollings II. It did not work any better. It did not bring the deficits down. They went up even higher.

Now we have the latest package, the so-called budget package.

I want to commend the Senator from Tennessee who said it was time to break out of this particular plan because it is not working either. The world has changed. The Soviet Union has collapsed. Our people are out of work. We need health insurance in this country. We need a concentration on the problems of America.

It is time to get rid of these schemes that have not worked and have made our economic problems worse, made our financial problems worse, helped cave in our banking system where we see this massive record of failures. It is time to put all of that aside.

We need a new economic plan for this country, a new economic plan for America, one that concentrates on the real needs of our people. That is what this country needs. We have to have it.

Mr. SARBANES. If the Senator will yield, because I want to address the point I was making about why the administration would not recognize the problem. Why would they not admit there is a problem? I am going to quote from a letter sent to me by an unemployed person who exhausted his benefits and was concerned about our efforts here to extend unemployment benefits.

DEAR SENATOR SARBANES: I am writing to you regarding a serious crisis that exists nationally. The subject is a lack of adequate unemployment benefits for working men and women. What has been allowed to happen in this country has been a disgrace. As I stand in line every week I get to hear firsthand the concern in the voices of people. The first blow was losing their job. The second was seeing the United States Government abandon them in their hour of need. These are the hard-working people that have over the years made this country great. These were workers who have held the same jobs in many cases for numbers of years.

This is the point the distinguished Senator from Tennessee, and Connecticut were making earlier, that this recession is hitting people who have never before experienced unemployment. They are now coming up against something for the first time in their career.

What constitutes an emergency?

Whenever the unemployment rates have been this devastating in the past, the Federal Government has automatically stepped in.

This letter writer is absolutely right. In the past recession the Government stepped in and we extended unemployment benefits.

What has made this emergency different? Could it be that no one wants to admit that there is an emergency?

This extension of unemployment benefits are programs for the middle-class working people who have fallen on hard times. They have contributed to this Government. They will pay income taxes on this money. This is is not a handout. This is not a freebie. These people will contribute again. It has been proven.

This country is in jeopardy of losing one of its natural resources. The United States was made great by working people. This Government should show dedication and loyalty to these people who have contributed both financially with their income tax dollars and fiscally with their hard work.

That is right from the heart of an unemployed person.

Mr. RIEGLE. If the Senator will yield, I think that really gets at the center of this problem. These problems have been papered over as they have been building up through the 1980's, I think principally as a result of the failed policies of Reaganomics. They are of such a size and such a consequence and they have done so much damage to the country with these massive debts, public debts, private debts, foreign trade balances being the wrong way now that we have a huge foreign debt that we owe.

We see the economic growth, as Senator SASSER pointed out. It essentially has disappeared under President Bush. It is actually a negative figure since he has taken over as President. Every other President, going all the way back to the days of John Kennedy and Ford, Truman—actually before—and Eisenhower——

Mr. SASSER. If the Senator will yield, this is every President since World War II.

Mr. RIEGLE. They have all managed a positive growth performance in terms of jobs except this crowd.

Mr. SASSER. Let us say we took it back far enough and included the administration of Roosevelt. You have to get back to the administration of President Herbert Hoover before you found a President that presided over a negative per capita growth as this administration has.

Mr. RIEGLE. I think Senator SARBANES has hit the nail on the head. If you take this chart and poor that flat performance is, you take this buildup in our foreign debt and how disastrous that is, you take this massive collapse in the banking system and how disastrous that is, you take the massive increase in Federal deficits and how unprecedented that is, they cannot afford to let anybody see this. I mean they do not want to have to acknowledge the problem because they have been in power now 11 years and this is the result of their plan.

So now they are in a situation where basically they have to say that the plan did not work, and they have to roll out a new plan. They cannot decide to do it. That is why they had this big hair-pulling contest down at the White House yesterday where some of their own people came in and said they could

not believe it. They said we are not getting any leadership. I am quoting this Republican House Member from Texas. "We are telling them: 'Just be for something.'" Because what is happening is all of this has come crashing down on the country. It has come crashing down in these congressional districts.

These people are going down and telling the White House they have a real problem because their plan has not worked. Their plan has been a failure. It is time now to have a new plan.

Unfortunately, I gather from what is reported here, the President did not want to hear this. So he left, went down to do this big fundraiser in Texas. And I am sure there was a lot of hooting and hollering down there because those are all the people that by and large have done very well during this period of time. They do not think there is a problem, either. But there is a problem. It is a big problem. It is time that this country addresses it.

Mr. SASSER. There is a problem. You cannot paper it over any longer. There have been promises, promises, promises.

In 1988, the President promised that he would create, over the next 8 years, 30 million jobs. Well, here is how it looks, how he has done it. We begin when the President is sworn into office. This chart runs for 4 years. If you divide his 30 million jobs over 8 years into 4 years, he is supposed to have created 15 million jobs at the end of this 4-year period.

How has he done? Let us just look and see where we are here. By the third quarter of 1991, he has created a total of 259,000 jobs, which leaves him significantly short of where he should be. He should be here, at about 10 million jobs. He has created about 259,000, not even enough jobs, as the distinguished chairman of the Joint Economic Committee knows, to keep up with population growth—not even enough job creation to keep up with population growth.

So even those who have gone from full-time jobs to part-time jobs, those who have gone to being fully employed to underemployed, even if you count those in, he is still much below the population growth in job creation. That is another indication of why the standard of living is falling in this country.

Along comes the Congress, and we went to do something about these millions of people who are unemployed, through no fault of their own, and who have exhausted their unemployment insurance. We want to extend it, just as it has been done in every recession since President Eisenhower.

President Eisenhower agreed to do it during the recession of the late 1950's. President Ford agreed to do it. Of course, President Nixon agreed to it during the economic downturn in his administration. This is the first administration that has vetoed the efforts by this Congress to extend unemployment benefits to those of the unemployed who have exhausted their benefits.

But now, to be fair, there appears to be a change in attitude developing in the administration. The question comes: Is this a change of heart, or is this just a simple reading of the polls? Is this change coming as a result of these stormy meetings that the distinguished Senator from Michigan has detailed that have occurred at the White House?

Could it be that the President is finally, after reading those polls, starting to wake up and smell the coffee, that the American people are furious, and they have had enough promises? They want to know why this administration cannot even demonstrate the minimum decency of extending the unemployment benefits to those who are unemployed, who have paid for them, but who have exhausted them, just as they have been extended in every administration from President Eisenhower forward.

Mr. SARBANES. If the Senator will yield, I am frank to say that I think what the American people want is the President of the United States to come home and to face this problem here. I know the purposes of these trips abroad are important. I do not, for a moment, begin to minimize them.

But the fact of the matter is that the President was away this week; he is going to be away next week. He is going to be away at the end of the month for 10 days, I think; although apparently now they are trying to cut back the length of that trip, because they think it looks bad.

Of course, it is not enough for him just not to make the trips. He has to shift the focus of his mental attention and concern away from these overseas situations and back to these problems right here at home, to the people across the country that are hurting. A lot of these indicators look poor. He needs to pay attention to these problems and begin to address them.

It is not enough to make nice pollyannish statements and to wear these rose colored glasses. It is being reflected in the attitude of the American people, and when you get this kind of drop in consumer confidence taking place that we see here. It started back up, and look at this: It dropped 12½ points in the last month alone.

Mr. SASSER. Mr. President, if the Senator will yield, I thought economists were saying that if we are going to come out of this recession, it has to be a consumer led recovery; is that correct?

Mr. SARBANES. That is generally how you pull out of it, but that is not happening here. Generally, you come out with the housing sector helping to lead the way. To show how serious this is, the interest rates have dropped; there has been some movement down in the interest rates, and we are getting better mortgage terms, which would argue, of course, that you would get an increase, an upswing in housing starts. And then the housing sector, which has traditionally been one of the engines of bringing us out of a recession, would be able to do its job in that regard.

Look at what is happening here. The housing starts are going back down again. So we have a situation in which the very sector of the economy which you have traditionally relied on to help move you out of recession is in fact itself sluggish, which only underscores the seriousness of the situation with which we are confronted, and the urgency and the importance of the President addressing his attention to this problem.

Mr. SASSER. Mr. President, if the Senator will yield a moment, interestingly enough, the Federal Reserve has been responding to the economic downturn—I think belatedly, but at long last—and they have begun to loosen monetary policy and have begun to lower interest rates.

The problem that business borrowers are having—and let us face it, business runs on credit—is they cannot borrow the money. There is a credit crunch.

I had a businessman from Nashville, TN, come to see me, and he said:

> Senator, I do not care if the interest rate is 2 percent, or 1 percent. If the bank will not loan me the money, if I cannot get the credit, then the interest rate has no relevancy to my business. What I need is the money.

What do we hear out of the administration? The President is deploring the fact that we have a credit crunch. Why is something not done about this? The President says that as if somebody else is President. This President has the responsibility of appointing a Comptroller of the Currency, who reports to the Secretary of the Treasury, and reports to the President of the United States. Yet, the President runs around wringing his hands saying: Oh, what are we going to do about the credit crunch?

Mr. DOMENICI. Will the Senator yield for a question?

Mr. SASSER. Mr. President, it is simple what he does about it. If the Secretary of the Treasury or Comptroller of the Currency will not carry out the President's policies, get him another Secretary of the Treasury, get him another Comptroller of the Currency. You cannot blame this one on the Congress.

Maybe they are going to blame it on poor old Jimmy Carter. When things get rough, they always start talking about, well, Carter did this. That is what Ronald Reagan did for 8 years. You would have thought Ronald Reagan was never President, that Jimmy Carter was President. It became humorous.

Well, this is not a laughing matter. We have a serious problem in this econ-

omy. Millions of Americans are suffering. We are on the verge of falling off into a double-dip recession. I fear that we have serious structural deficiencies in this economy that we have not addressed now for 11 years. I fear that we are now starting to reap the whirlwind of it.

The distinguished chairman of the Banking Committee has outlined here for us the disaster that has befallen financial institutions in this country. I never thought I would live to see the day that the Federal Deposit Insurance Corporation would be broke.

(Mr. ROBB assumed the chair.)

As I stand before this body today, the Federal Deposit Insurance Corporation that insures the savings of millions of Americans is insolvent, and they will be coming out here soon to ask for additional taxpayers' money to bolster it.

The distinguished chairman of the Banking Committee has produced a chart here which illustrates that the Federal Deposit Insurance Corporation now has a negative worth of $5 billion. I never thought I would live to see the day that the national debt of this country, in the short period of 11 years, would increase by over 300 percent, but that is what has happened. It took this country 200 years to build up a national debt of $900 billion, most of that in the 20th century. Most of that debt was built up fighting wars. Wars are very expensive. We fought the First World War, the Second World War, the Korean war and the Vietnam war. But even at the end of all that and after 200 years of history, we just had a national debt of $900 billion. In the last 11 years we almost quadrupled that debt that took us 200 years to build.

I say to my colleagues there is something dramatically wrong here. Something has happened to the economy of our country, which I think these charts graphically illustrate. The chart that shows that we in the United States of America now are the largest debtor nation in the world. I never thought I would live to see that.

The Senator from Maryland and I are about the same age. He is probably a little younger. He looks a lot younger. But we had the great good fortune to be young men in the 1950's and the early 1960's. I remember the economic growth of that period and the optimism in this country and the confidence that Americans had. We had a can-do attitude. We could get the job done. We were the best, and look at us now: the largest creditor nation in history. It has happened just in the past 10 years.

Mr. SARBANES. If the Senator will yield, Newsweek magazine has just done a special issue in which they raise the question as to whether the young people today will be able to live as well as their parents, not better, but as well. And how the growing concern in the country is that they are not even going to be able to reach the living standard of their parents. The premise in this country has always been that each generation will do better than the generation before.

Home ownership in this country has declined over the last decade. If you make a median income in America today, you cannot afford to buy a median-priced home. It is out of your reach. So the cost of a house exceeds the resources available to a family in the middle of the income scale. That is just to dramatize one thing that has happened in this country. The standard of living for wage and salary earners now—not people reaping huge unearned income, but wage and salary earners—has declined over this past year.

Mr. SASSER. If the Senator will yield, that just tells part of the story. He will recall back when he was a young man in the 1950's and 1960's, just one member of the household worked, usually just one member of the household worked. Now, to maintain a standard of living at all, you usually have to have two wage earners in the household. Of course, that has serious sociological and cultural implications. When there is no one at home to help to look after the children that are growing up, there are serious social and cultural implications that flow from that.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. SASSER. I will in a moment.

That may explain the explosion in criminality we have had in this country. That may explain the fact that the construction of prisons is a growth industry here in the United States of America. This declining standard of living may explain the fact that, on a per capita basis, we have more people in prisons in the United States than any other nation in the world, even more than the People's Republic of China, I say to my friend from Maryland, which we all know is a police state.

We have serious economic problems. The Senator from Maryland and I have been on this floor for weeks with just one simple plea to this administration: Extend to the millions of unemployed in this country the same consideration that has been extended to others who were unemployed in previous recessions that have occurred since the Second World War. To this point all we have gotten out of this administration is a veto, is a veto of legislation that has passed here with large bipartisan majorities.

I see my friend, the Senator from New Mexico, on the floor here, and I say this has not been a partisan issue here in this body. We have all voted by large numbers for this unemployment compensation extension, but to no avail. So I am hopeful that we are going to send the President another bill in the not too distant future, and I am hopeful that he will reconsider and recognize the suffering of millions of people who have exhausted their unemployment benefits who want to work but cannot find jobs.

I have visions of those 800 people that reported to the little factory in west Tennessee that advertised 10 jobs; 800 people almost rioted. The sheriff had to come out there. These people want to work. They are desperate. They do not want any unemployment insurance. They do not want any food stamps. They want to have the dignity of a job and the dignity of work.

But until that time comes, until we can fashion an economic policy, until this administration answers the call of its citizens, and until that time comes, the least we can do is follow the leadership of the Senator from Maryland and my friend from Texas, Senator BENTSEN, and extend these unemployment benefits to those who need them.

Mr. SARBANES. If I could just add to what the Senator has said about people wanting to work. I am quoting a letter that was sent to me by an unemployed person saying: "What we as unemployed people want is to be able to rebuild our self-esteem, pay our bills, and contribute to this country. We are not looking for a handout, but right now we need more help." That is what is reflected in these letters.

These are hard-working people. They have held steady jobs. They have helped to sustain the economy. They have helped to build the country. They now find themselves in a difficult situation.

This woman says about having brought up her children and looking after them and says, "I do not want any praise or desire any for what I have done. They were my responsibility, and I lived up to it. What I want now is help from the Government until things get better for me and all the thousands of people that are in the same situation."

The PRESIDING OFFICER. The Chair recognizes the Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. Mr. President, let me say that I do not have a lot of time. Clearly I could not in a few minutes respond to the thousands of words uttered here today, but I do want to make a couple of points. I do thank the three Senators. At least they have only brought this argument to the floor once this week, and that is very helpful to me. There are some new charts that are very helpful. It is probably helpful to C-SPAN also. The others were getting rather ragged. They had been on display several times stating the same case.

Having said that, let me take one serious matter they discussed and tell the people listening and those here: Would you believe, after all this discussion about unemployment compensation, that about 30 minutes ago the unemployment compensation extension

program went into a tailspin when the Democratic chairman of the House Ways and Means Committee decided that he wanted nothing to do with what the Democratic leader here—that is the leader of the Finance committee—had in mind and both went away in a huff.

So, as of today those who control both Houses by plenty of votes have been fighting about unemployment. It may be a first as they suggested. It is also the first in modern times that we decided to make an unemployment compensation extension totally partisan. That side of the aisle has decided that there will be no unemployment compensation extension unless it is theirs.

As a matter of fact, I can now display this chart showing how long we already would have had extended unemployment compensation in effect had the Senate adopted the Dole-Domenici proposal when it was first offered. It is all of these months and some more that those unemployed people needed it and needed it badly. They would be getting it now. Now we hear from the majority leader that not only will there not be a bill that Republicans support, but it will be precisely what he wants or there will not be one.

Now the American people ought to listen to that. They would find it hard to recognize that attitude as real compassion, that as real interest in getting something done for the unemployed. It is actually real interest in getting the unemployment bill done their way so they can take credit for it or there will not be one.

Well, frankly, I do not think we are going to get anywhere on that. And we ought to get an unemployment extension, and we ought to get it quickly. And we are talking about it and we are looking at it, and the Democrats are now coming our way to try to do it in a way that does not break the budget.

The distinguished Senator from Texas suggested one way to pay for it. It seems that was acceptable, but now it is not acceptable to the Democratic House at this point in time. But we will get it done.

Now, Mr. President, what I would like to suggest to my three colleagues from the other side of the aisle, who have a very exciting program to put forth for the American people—they have become extremely good historians of economic history. I would like to suggest that they come forth one of these days, and we will let them have as much time as they would like, and they ought to come forth and tell the American people what they will do to fix this economic situation.

Mr. SASSER. Will the Senator yield on that point?

Mr. DOMENICI. No, I will not. When I asked you to yield, you could not find time. I do not have much time myself now, and I have to leave the floor.

But you have suggested one thing, that we extend the unemployment benefits. I agree with that. But I do not believe there is a person around that thinks that alone is something that will make America grow and prosper. That is nothing that will fix the American recession. It will help some working men and women that need help, and we ought to do it.

But what is the plan to take all these horrible facts that they talk about and fix them? Frankly, they talk of it as if it was George Bush that did them all.

Let me remind the American people—they know it. They know it, but let me tell them. Do you know who runs the Congress of the United States? Do you think George Bush does? It is the Democratic Party. They run it here and they run it over there in the House. In fact, Democrats have run it over there on the House side for so long we do not even know there is another party. They not only run the House, they own it, lock, stock, and barrel.

And if I understand history, only in two Congresses since the Second World War, 4 years, has the House been run by Republicans. The most recent period was following the landslide of Dwight Eisenhower in 1952. So who spends money? The President of the United States? Who pays for the defense? The President of the United States? Of course not. Who makes American budget policy? The President? Of course not.

The President suggests, and this Congress does what it thinks it wants to do. There has been a lot of things accomplished together by Congress and the President. When it gets close to election time, the togetherness just leaves the scene. All of a sudden partisanship takes over. Everyone should understand that.

You can get this lecture, you can get it in any third-year economic history class. The professors will tell you about all these things that have happened in America. They will also tell you that during this post-World War II period of time, Japan, Germany, and other countries became powerful, and we might not have known how to respond. For a while, things came easy to us. Our people worked hard. We did not have to worry much about competition from other countries.

Well, we do now. And it takes some very, very new kinds of approaches to keep this economy alive and prosperous.

Let me suggest in closing, I do not want to paint all three speakers with the same set of facts, because I do not remember what my friend the chairman of the Budget Committee did on foreign aid. But I have heard the absent member of the trio talk, in real inspirational tones, about the President and how he should not be worrying about Cambodia. He ought to be home, because there is a $25 million program to save hundreds of thousands of survivors of the killing fields of Cambodia who are in danger of dying.

Well, the person that made that accusation—the distinguished Senator from Michigan [Mr. RIEGLE]—has a wonderful record on foreign aid. It is probably the best in this body. The best for spending more on foreign aid than most Senators in this body.

He complains of $25 million that our President agreed to spend for a program we allowed him to do. He voted for $45 billion in foreign aid over the last 12 months. Not $45 million, $45 billion. The Senator from Michigan directed the President to do dozens of things in foreign countries.

Is it not something that the President of the United States is being chastised on the floor about a humanitarian relief effort by someone who would vote for $45 billion worth of foreign aid? Why? Because he executed a program that we authorized for a desperate Cambodia, where hundreds of thousands of people were dying?

It seems to me that if my friends on the other side give us a little notice before they come down with their lengthy exposés on modern American history, maybe we will have a chance to respond. Until then, we will wait around for the next episode to see if they have a plan for America's future. We all know the problems. What do they suggest we ought to be doing?

I thank the Chair and I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Maryland [Mr. SARBANES].

Mr. SARBANES. Mr. President, I listened with great interest to the distinguished Senator from New Mexico, and particularly his reference to the third-year college economics class. He needs a third-grade political science class that examines the use of the Presidential veto in the effort to try to enact policy.

What the Senator said is, "the Democrats control the Congress. Why do they not pass this program?" We passed the unemployment insurance extension program. We passed it with very substantial majorities. It went to the President, and the President vetoed it. Instead of signing the bill and paying these unemployment benefits, the President vetoed it.

It came back to the Congress, and we tried to override the President's veto. We had 65 votes to override the veto in the Senate; 35 votes against overriding the veto. Of the 65 votes, every Democratic Member of the Senate voted to override. All 57. Eight of our colleagues on the Republican side, recognizing this desperate situation, joined with us in that effort. That represents about 20 percent, not quite 20 percent of the Republican Members of the Senate.

Now think of that margin. That is a very large, impressive margin. If any-

one out there ran to be the head of some club and won 65 to 35, they would say that was such a decisive victory, why did anyone run against me? But it is not enough to override a veto.

The President of the United States, George Bush in this instance, was able, by exercising that veto and linking it with only 35 out of 100 Members of the Senate to negate the congressional action and prevent those unemployment insurance benefits from flowing.

So make no mistake about where the responsibility rests that there are no unemployment benefits being paid across this country to millions of Americans who are in desperate need. The Congress did its job.

We were not able to override his veto. We got 65 votes. But it is not enough to override a veto. Which is only to underscore the power of the veto which this President has used time, and time, and time again to thwart the efforts of the Congress, on behalf of the American people, to enact legislation which is desperately needed in the country.

The people need to understand that. They need to understand that this President has a veto agenda. This President is negating congressional action. He is not interested in working with the Congress to solve these problems but he wants to stamp that veto on that legislation and prevent us from acting.

We had plant closing legislation. Now we have family leave legislation, which the President previously vetoed.

The President says if you do these things we are not going to be able to compete with these other countries. We are in an international economy. We have to compete with these other countries, and if you pass these things to help American workers and American families we are not going to be able to compete. Talk about family values, we cannot have a simple family leave bill so a mother or father can stay home with a sick child. They say if you do this, we are not going to be able to compete internationally.

Why is it that the nations we are competing with are able to do these things and still compete effectively? If they were not doing them one might have to look at that argument. If they said, if we do this in America, if we concern ourselves with family leave and plant closing and health care for all of our people—it is a disgrace, millions of Americans with no health care coverage—we will not be able to compete. But look at the industrial countries in Europe. Look at Japan. They are doing all of these things, Mr. President, and they are doing them in measure that exceeds what we are proposing here.

How come they can do these things and compete effectively and we are told we cannot do them? Maybe it is because they treat their people with a certain amount of dignity and respect. You talk to Europeans. They are absolutely shocked by the unemployment insurance situation in this country. You talk about health care to people in these countries—they are absolutely shocked by the lack of comprehensive health care in America, absolutely shocked. They have it. Yet their productivity record and their performance record is sufficiently good. They are giving us a tough time economically in the international competition.

Maybe the time has come to start thinking that our human resources are something to invest in. People are not simply automatons to be used up and then thrown on the scrap heap and forgotten about and discarded.

The return on labor ought to have some reasonable measure with a return on capital. We have now shifted the return to the top end of the income scale. The gap between what the head of the company makes in this country and what the worker on the factory floor makes far exceeds the situation in Japan or Germany or France or Italy. We used to be proud of the middle class in this country. We looked at these other countries and said they have the very wealthy and then all the rest of their society. But in America we have a large middle class and that is the strength of our economy and that is the strength of our society.

The thing has just turned right around. We are squeezing the middle class out in this country. The middle class is falling behind. The benefits have been shifted by the tax policies of the last decade, to the people at the very top of the income scale. And the efforts here in Congress to alter that by the majority consistently runs into the stonewall of the veto. George Bush is proud of exercising this veto and has bragged about it. But what it has meant is misery for the American people—most recently demonstrated in his veto of the unemployment insurance bill.

So the distinguished Senator can come to the floor and fulminate about it. But the fact of the matter is that the reason the unemployment benefits are not being paid is because George Bush exercised his veto and that veto was sustained in this body by Republican Senators. Not all of them, but enough of them to sustain the Presidential veto: 65 to 35. Think of what a vote that is. It was not even close. But it is not enough to override a veto.

So the President negates these efforts to address the problems of the American people, all the while denying there is even a problem. It is only now that the rumblings coming from the grassroots are being felt by others in his party that finally seem to turn attention to this pressing, pressing problem.

The Senator spoke about providing assistance overseas. Those were in response to the President's requests. He came to the Congress this year. He said there is a budget agreement but I want to go outside of the budget agreement, and I want to send some money overseas because we have real emergencies over there, and the Congress agreed with him. I agreed with him. I voted to do that. But I never dreamed that this same President who saw all these emergencies overseas, when it was pointed out to him that we had an emergency here at home with unemployed Americans, would turn his back on them and reject this effort to assist them. He not only turned his back, but used the veto in order to negate action taken by an overwhelming majority of this Congress.

That is what has happened, and I am sad and sorry to report it. That is what we have been contending with, not only on this issue but a whole range of other issues.

So, what the President is doing by using his veto and holding on to only one-third of one body of the Congress, he precludes any further action, and that is the root cause of these difficulties.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Tennessee [Mr. SASSER].

Mr. SASSER. Mr. President, my distinguished friend from New Mexico, for whom I have great respect and affection, indicated a moment ago, almost in frustration—he said, "Well, what would you do? What is the plan that you are offering? What are the Democrats going to do about it?"

That, to me, was almost an admission of the bankruptcy that haunts the party of the President in dealing with the economic malaise and I might say the deepening economic malaise that affects this Nation of ours.

We do have a plan. It is very simple. It has been all over the newspapers. It has been all over television. The distinguished majority leader just yesterday laid it out clearly, precisely, in a speech he made to a group here in Washington concerned with economic policy. And the distinguished majority leader, Senator MITCHELL of Maine, said this. He said, number one, what we propose is a tax cut for middle-income Americans. During the last 11 years, middle-income Americans got a lot of rhetoric but no relief.

There have been a number of middle-income tax cuts offered by the Members of the majority party in this body and in the House of Representatives.

It has been offered as a means of economic stimulus and, yes, Mr. President, as a means of redressing the inequities that have occurred in tax policy over the past 11 years.

I said just a moment ago, and the distinguished Senator from Connecticut corrected me, and I do not remember precisely what his figures were, but the ones I saw indicate that the top 1 per-

cent of population in this country, that is the richest, the top 1 percent of the income people in this country, the richest people, saw their income over the past 10 years increase by 100 percent. The top 1 percent increased their income by 100 percent. At the same time, under the tax policy of the Reagan-Bush administration, their taxes went down by 8 percent. Income increased by 100 percent, taxes go down by 8 percent, while the middle 60 percent of the country in income, the great American middle class, saw their real disposable income increase not at all and they saw their tax liability go up.

So the first item on our agenda for economic recovery is a tax cut for middle-income taxpayers. They have not had their tax cut; they have had a lot of rhetoric. We want to be responsible about it. We want to pay for it.

My colleague, Senator GORE, of Tennessee, has made common cause with Representative TOM DOWNEY, who sits on the House Ways and Means Committee, and they want to pay for their tax cut for middle-income taxpayers, the great American middle class, by increasing the taxes on those at the very top of the wage scale, the richest 1 percent, by increasing the taxes that they had cut during the decade of the 1980's.

Mr. SARBANES. I ask my colleague: Is it not accurate to say that the President of the United States, George Bush, has indicated his adamant opposition to any suggestion that a tax cut for middle-income people should be paid for by collecting some taxes from the very wealthy who have benefited from this tax bonanza over the last decade? Has he not publicly expressed his opposition to that?

Mr. SASSER. The Senator from Maryland is quite correct. The President has publicly expressed his opposition to a tax cut for middle-income Americans, while at the same time espousing at the top of his voice a new capital gains tax cut once again for the richest in our society; a capital gains tax cut, 65 percent of which will go to those who make more than $200,000 a year. That is disparity.

Mr. SARBANES. The Senator has portrayed it absolutely correctly. That is what we are dealing with here. We are trying to get some relief for middle-income Americans and pay for it by getting the revenues to pay for it from the very wealthy. The President is opposed to that. The President wants to give a further tax cut to the people at the very top of the income scale. It is just incredible.

Mr. SASSER. If we cannot bring ourselves to pay for a tax cut for middle-income Americans by taxing those who reaped the bonanza in the decade of the 1980's, we will look somewhere else, because we think it is imperative that middle-income taxpayers get a tax cut.

I have suggested that we simply reduce the defense budget by 5 percent over the next 5 years, just by 5 percent over the next 5 years. We can do that in view of what has happened to the Soviet Union. The other superpower in the world is no more. It has collapsed. It is in dissolution. The Soviet military threat has evaporated. So surely we can reduce defense spending an additional 5 percent and give the great American middle class, that has been paying the bill, a tax cut.

So there are two ways that a tax cut for middle-income Americans could be paid for. It gives tax equity and, equally as important, it would be a stimulus to this economy.

The distinguished Senator from Maryland said earlier that the economists say that if we are to come out of this recession, it must be led by consumer spending. The problem is the consumers who are the great American middle class do not have any money to spend, and a tax cut would help them.

Second, the distinguished majority leader, yesterday, in outlining a program for economic recovery, called for incentives to help first-time home buyers. This is something that the Members of my party have known since the early 1930's. It was the fastest and most direct way to help average-income Americans help themselves and at the same time help the economy.

The distinguished Senator from Maryland said just a moment ago that young people coming up now feel that they cannot live as well as their parents; they may have a lower standard of living than their parents. I submit that this is the first time, at least in this century, perhaps for the first time in American history, when a young generation coming up is pessimistic about its economic future and is worried that it cannot even achieve the same standard of living that their parents could.

But one way to help them would be just what the majority leader advocated yesterday: Incentives for first-time home buyers who principally are young people, young married couples, and this is a stimulus for the economy. Usually when we start coming out of a recession, it is home building and autos and auto sales that bring it up first.

What is the rest of our plan?

Mr. SARBANES. Will the Senator yield?

Mr. SASSER. I will be pleased to yield to the Senator from Maryland.

Mr. SARBANES. I think it is important to put in the RECORD what the majority leader said on this tax cut for middle-income people, and I am now quoting the majority leader:

> The strategy of the American family employed in the last decade to maintain living standards no longer works. As the real wages fell, they worked longer hours and at more jobs.

Which is a point the Senator made earlier.

> Then the second spouse went into the work force. When two incomes were not enough to make ends meet, they loaded up with debt. That worked for awhile, but no longer. Families need relief. They are stretched too thin. They need higher wages and lower taxes. A tax cut has to cut the taxes of middle-income Americans. No more trickle down theories to justify tax breaks for the wealthy. The American people have been trickled on long enough.
>
> Americans in the middle-income range need a tax cut after 10 years of steadily climbing taxes. The country needs that kind of tax cut because the middle class of this country is what makes or breaks our prosperity. We must relegate to the ash heap of history that disproven, unfair economic theory that national prosperity depends entirely on cutting the taxes of the very wealthy. Trickle down hasn't worked. It was a dismal failure that must not be repeated. Yet the President is still wedded to the idea of another tax break primarily for families making more than $200,000 a year.

As the Senator pointed out.

The Senator from New Mexico asked what is our program? I believe in a percolate up theory of economics, not in a trickle down theory of economics.

Mr. SASSER. If the distinguished Senator from Maryland will recall, a distinguished economist some years ago, in describing trickle down economics and how it works, said that if you feed the horse enough corn, the sparrow in the street might get a kernel. I think that is the best definition of trickle down economics that I have heard.

The Senator is quite right. We do believe in percolate up economics. And that is what a middle-income tax cut is all about, because there is where the purchasing power is, with the great American middle class.

Mr. SARBANES. That is right. And if you create prosperity in the broad base of American society, the people at the top will get their share. They will prosper along with everyone else. That has been the success story of American economics. We have broadened out the working class and the middle class, and the people at the top benefit from that. They get their share of it. But this notion that you load all the benefits in at the top, which is what the Bush administration believes in, and then you wait for it to trickle down to the great mass of the people. It has not happened. It is not going to happen.

As the majority leader pointed out in this statement:

> We must relegate to the ash heap of history that disproven, unfair economic theory that national prosperity depends entirely on cutting the taxes of the very wealthy.

I want the people at the top to get their share, but I want the people in the middle and the working people to get their share of the benefits of America. They are the ones who basically have built and are building the country. They ought to get a fair and equitable return for their efforts, and they are not getting it.

As we said earlier, the standard of living of middle-income people in this

country, wage and salary earners, is in fact dropping, while the standard of living of those at the very top is increasing by incredible percentages.

Mr. SASSER. Mr. President, the Senator from Maryland will recall that when Franklin Delano Roosevelt was sworn in as President of this country at the height of the Great Depression, when the country was desperate, on its knees, on the verge of revolution, rather than saying we have nothing to fear but fear itself, and by the way, I am going to give the wealthy a tax cut out of this depression, he said, "The rising tide lifts the small and the large boats alike."

That is still true today. If we can grow this economy, if we can get it moving by giving middle-income taxpayers additional funds through a tax cut, it will stimulate this economy. They will lead us out of this recession with consumer-led spending because this is where the pent-up demand is, among the middle class that has been impoverished over the past 11 years.

Mr. President, the distinguished Senator from Maryland was indicating, and the majority leader had also in laying out a program for economic development and a means of getting us out of this recession, there were a number of points. I have alluded to the middle-income tax cut. We have alluded to incentives for first-time home buyers. But third, the majority leader indicated that we need an interest rate and credit policy that goes beyond photo opportunities. Businessmen are not going to get credit simply because a White House aide drafts a policy paper.

Now, it does not make any difference how low the interest rates are if the banks will not loan money because of an overrestrictive credit policy imposed upon them by the Department of the Treasury and the Comptroller of the Currency. Then the economy continues to stagnate. Rather than wringing his hands about the fact that his own Comptroller of the Currency has an overly restrictive credit policy, the President either ought to take him to the woodshed or get himself another Comptroller of the Currency so that American businesses can have access to the credit they need to expand.

The majority leader had a fourth point yesterday in this Democratic economic recovery package. He said that we need to reform unemployment insurance. We need to reform the whole unemployment insurance system. This year alone, more than 3 million unemployed Americans are going to exhaust their unemployment insurance. For the first time in 60 years, we have a President that will not go along with the Congress and help them.

They need this unemployment insurance for two reasons. One, to alleviate their suffering and to tide them over until they can get a job again. But second, this will provide some modicum of economic stimulus. The unemployed are going to spend every dollar they get through unemployment compensation for the necessities of life. And that will have some minor stimulative effect on the economy.

In the fifth point that the majority leader raised in his economic recovery plan, he said we need to turn our attention to one of the principal factors that is undermining the security of the American family, and that is lack of access to an affordable health-care system.

I was pleased to see that the distinguished Senator from Pennsylvania, HARRIS WOFFORD, running in a hard-fought campaign in Pennsylvania, where he has come from being 40 points behind to a point now where he may very well win the election, has been talking about a health-care system that will provide the kind of quality, affordable health care to which American working people and the American middle class are entitled. Apparently, the people of Pennsylvania agree with him and are responding to that appeal.

I predict, Mr. President, that that is going to be a fundamental underpinning in this economic recovery plan that the majority leader has proposed.

Sixth, he has said—and I think this is probably one of the most important—we need a long-term economic growth program that lays a solid foundation for the future by increasing investment in education, investment in worker training, investment in research and development. We must do this so that we have the human resources to compete in this very competitive world.

The distinguished chairman of the Appropriations Committee, ROBERT BYRD of West Virginia, has been on this floor many times and spoken very eloquently about the need to invest in the education of American young people. He has said that he thinks it is time for us to invest in ourselves again, to start investing in the United States of America, to invest in our own people.

That is an economic recovery program. My friend from New Mexico wanted to know what we would do. I think we have answered that question: A tax cut for middle-income Americans, who desperately need it and who deserve it, paid for by increasing taxes on the very wealthy or by reducing moderate cuts in defense. Let the middle class have some of the peace dividend. They are the ones who have borne this burden for almost half a century. Let them have some of the peace dividend.

And, yes, what is wrong with giving incentives to young Americans who want to buy a new home? We have done that for almost 50 or 60 years, off and on. That was the basic tenet of the economic policy of Franklin Delano Roosevelt in the 1930's and 1940's.

And, yes, we need to do something about credit policy and an interest-rate policy that makes borrowing prohibitive or makes credit impossible to get for American business people. Certainly, we have to reform an unemployment insurance system that leaves literally millions of Americans who paid for unemployment insurance out in the cold when a recession comes.

Yes, we do need to address the problems of health care in this country. Health care, quality, affordable health care, is something that I firmly believe most American families wish for almost as much as anything that they could wish for, and is something to which they are entitled.

Lastly, we need a long-term economic growth program, one that lays a solid foundation to make this country competitive to the year 2000 and beyond, one that will once again reverse the decline in the living standard of our people, and put us once again on the road to prosperity and a better quality of life.

That means a better education for our people, all of our people. It means training our workers. Every other modern industrialized successful country does that. It means research and development incentives for American business and for American universities.

My friend from New Mexico asked for an economic program. He wanted to know what we would do. Those are some of the things that we would do.

But one of the things that we would not do is we would not remain frozen in the ice of indifference while our country declines to a second-class power economically. We would not remain frozen in the ice of indifference as millions of our fellow citizens suffer because they have lost jobs through no fault of their own and cannot find another. We would not remain frozen in the ice of indifference and do nothing. We have a program. The majority leader of the U.S. Senate, Senator MITCHELL, has advanced that program. And I think it is a program, Mr. President, for success.

I yield the floor.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

EXTENDING UNEMPLOYMENT BENEFITS

Mr. DOLE. Mr. President, we were encouraged when the Democrats approached us about a compromise on unemployment benefits, and we were truly encouraged to learn that they might be prepared to meet the tests that the President set out: One, that

the program be short-term; two, that we stay within the budget agreement; and three, that there be no new taxes to finance the package.

As a result of the early contacts I had with the chairman of the Finance Committee, Senator BENTSEN, and the chairman of the Ways and Means Committee, Congressman ROSTENKOWSKI, we have been working with Secretary Martin and Budget Director Darman to craft a proposal on an unemployment compensation bill so that we might productively engage in these discussions.

We have gone over the package. There was a meeting this afternoon in the Ways and Means Committee. They could not come to an agreement. I think they are going back on Monday. A number of questions were asked about how the so-called Bentsen proposal would impact on small business men and women, farmers, and others. Apparently, there was enough concern that the chairman decided to postpone any additional action until Monday.

But as we understand it, it would continue to break the budget agreement—we think it can be corrected—and it also continues to use three tiers. The last time we used three tiers was in 1983, and the unemployment rate was 9.2 percent. We triggered off that program in 1985 when the unemployment rate was 7.2 percent. Today it was 6.8, up from 6.7. But at the same time, we had jobless claims drop 47,000 this past week. So the news was mixed. It is not good, but it is mixed.

Today's rate is 6.8 percent. It is obviously not the same crisis we had a few years ago. That is not to say we do not have a problem, but it is to say we ought to resolve our differences and, in my view, that could be done in an hour. The differences are not that great. I believe that, politics aside, if we can determine we are going to do that, or we are given a chance, I think we would agree on a basic structure of an extended benefits package.

I think it is fair to say that any current differences are largely technical, but they are critical nonetheless. They include the structure of the program, as well as the revenue sources. As I said, last night on the floor, we had four options. Today we have two additional options. I have indicated that we have had about 8, 10, to a dozen people working in my office in the past 2 days from the Office of Management and Budget, from the Labor Department, Congressman MICHEL's staff, my own staff, and Senator DOMENICI's staff, reviewing a number of options.

We believe that we can satisfy the concerns that some may have on the other side, if additional of our options meet the President's requirements and they do stay within the budget. Our options will use the existing administrative structure, thereby providing faster service to the unemployed, and that is very important.

Let us not change the structure. If we are concerned about getting benefits quickly to unemployed workers—and we are—let us not try to reinvent the wheel. This is not the time to do that.

More important, our options will meet the needs of those currently unemployed, including those who have exhausted their benefits. So I guess the point is that we are prepared—I speak for myself and the Republican leader in the House, Congressman MICHEL—to meet with our counterparts on the Democratic side and to assure the unemployed that they will receive their much-needed benefits.

Again, it would seem to me, having been involved in this for some time, that we have had a package out there, and had it been passed, we would have had benefits paid all of September and all of October. And today is November 1. So the question is: How much longer should the unemployed wait?

I believe there is an agreement now that the package will be paid for. That is the big, big hurdle.

As I said, there are still other technical areas—critical to some extent, but technical in nature—that we need to address. The important point is that we have now agreed—at least it seems to me from what I have read and heard and picked up around the cloakrooms and other places, that we have agreed—there seems to be an agreement, although not reached, but an agreement out there somewhere that will pay for the package, and that will provide probably more benefits than would have been provided under the so-called Dole package, which was 10 weeks in some cases and 6 weeks in others. In that package, it is paid for.

I have no objection to adding additional weeks, if, in fact, we can pay for those. I now think we can, notwithstanding a number of, I understand, serious questions raised in the markup on the House said today in the Ways and Means Committee.

Mr. President, I cannot speak for the President of the United States, but I believe, having visited with him yesterday, and visiting with Mr. Darman, the Director of the Office of Management and Budget, that the seeds are there for an agreement. That is the bottom line. I hope we can do it early next week and start the benefits going.

There is no doubt about it that there are people in need. There are men and women who have a lost their jobs.

And I listened to—as much as I could—the dog and pony show here this afternoon that went on for about 3 hours, and I listened to all the reasons that we were in economic difficulty.

Nobody ever got around to who spent the most money and what the records were of those who were participating in the Bush-bashing contest, or what their record was on spending and foreign aid. I had noted that the Senate-House conference committee voted to give $1 billion to aid the new Soviets to train pilots and others. We have a lot of pilots in America that ought to be trained. That was not President Bush's idea. I do not know where it come from. It probably is a sound idea, but every time President Bush wants to help somebody in difficulty, then we have the charge from the other side, "here he goes again." They say, "If you live somewhere outside of America, President Bush will take care of you, but if you live here in the United States, you are out of luck."

That will not wash, because we are going to have a number of speeches on this floor, and we are going to be pointing out specifically how different Members have approached foreign aid, for example, when the President requested $1 billion, how they have increased it to $2, or $3 billion. And we will find out how that washes out.

I think there will not be a great surprise for people who watch the Congress on a daily basis. Three weeks ago, we voted on a foreign aid bill to spend $25 billion in 2 years on foreign aid. Eighty-eight percent of the Democrats in the Senate voted for the bill; 74 percent of the Republicans voted against it.

That is another example that has been overlooked on the other side, this massive spending on foreign aid and domestic spending, which was probably the leading cause for the recession we have today—the spending—and failure to come to grips with it, failure of the Congress to be responsible.

Last year, we voted on a major new foreign aid proposal for Latin America, which was a bill introduced by one of my colleagues on the other side of the aisle, and a colleague on this side offered an amendment to put some controls on the projects in the bill, so that the money would not be wasted on big State-run projects. Ninety-six percent of the Democrats voted against that amendment. So I am laying a little groundwork here for what I think will be an interesting discussion in the next few weeks, about who has voted for spending.

One thing about my colleagues on the other side is that they can produce more charts. They have a bigger chart budget than ours. We only have this one chart, which shows that had we acted on the Dole-Domenici proposal, which paid for itself, unemployment benefits would have been extended. I know that it is hard for those on the other side of the aisle to accept paying for anything. And we could have had benefits going all of September and all of October, and now it is November 1.

So let me repeat what I have indicated before. We are prepared on this side of the aisle, as we have prepared from day one, to pass an extended benefits bill for America's unemployed when we pay for it so we do not load it

up on their children, the unemployed workers' children and all the others' children and taxpayers of America by increasing the deficit $6.2 billion. And we are prepared to do that.

We are also prepared, if we can reach an agreement and they do not try to shove it down our throat, to advise the distinguished chairman of the Finance Committee, Senator BENTSEN, that as the leader of this side, we are prepared to fight off all amendments that are not germane because this will be a tax bill and it could be open season, and there are a lot of attractive amendments that I know my colleagues on this side would like to offer to see how my colleagues on the other side would respond. But I do not believe that should happen on an unemployment bill. And this Senator is prepared if we can reach some agreement within the budget that is short term and that takes no new taxes, then I think we can do this rather quickly.

So, Mr. President, I urge my colleagues on both sides of the aisle to give the leadership on both sides of the aisle an opportunity to work with the appropriate committee members in the House and Senate to work out a package that we cannot only vote for but a package that will be signed by the President of the United States who said yesterday morning and who said dozens and dozens of times before he is prepared and has been prepared to sign an unemployment benefits bill that was paid for, that was paid for, that did not violate the budget agreement that 76 Senators voted for not too many months ago.

I remember some of the speeches at that time—they were very good—about how we had to stand up and be counted and we are going to have to stick to this budget. It was going to be painful. There would be a lot of temptations to break the budget but we were going to stand firm. That is what we said. And we meant it. At least I hope we meant it. I believe that that ought to be the course we should follow now.

Before we talk more about tax cuts and a $5.6 trillion economy—a $11 billion tax cut probably would not even make a dent—we ought to deal with the unemployed of America. We are prepared to do that. We stand ready to do that. And I suggest that 2 months is long enough to wait. All of September, all of October benefits could have been there, could have been paid for. Had we run out of money, we would have found some other ways to pay for those benefits. If we do not, we are going to continue running up the deficit—$3.5 trillion now, $250 billion in interest.

I did not hear from my colleagues this afternoon about all the spending and the deficit and how it got there. Who voted for it? Who voted against it? The problem is we need to act and act quickly, and I urge my colleagues to cooperate wherever we can in the next few days to put together a bipartisan package on unemployment benefits.

The PRESIDING OFFICER (Mr. FORD). The majority leader.

UNEMPLOYMENT INSURANCE

Mr. MITCHELL. Mr. President, I welcome the concern expressed by the distinguished Republican leader about the needs of America's unemployed, the millions of Americans who, through no fault of their own, have lost their jobs and whose insurance benefits have expired.

I will have some detailed remarks to make with respect to the situation in a moment, but I want to begin by responding to and correcting remarks made earlier by the Senator from New Mexico in which he referred specifically to me in connection with the action of this afternoon in the House Ways and Means Committee.

The remarks were mistaken, unintentionally I am certain, in suggesting that I was somehow involved with or responsible for the action of the Ways and Means Committee.

In fact, well prior to that committee's meetings, I had conveyed to the Speaker of the House my willingness to support the proposal that was presented to the Ways and Means Committee, a proposal suggested earlier in the week by Senator BENTSEN, the distinguished and effective chairman of the Senate Finance Committee.

And the action by the committee this afternoon in requesting further opportunity to study the matter was understandable in light of its complexity, and I understand the Treasury Department also requested the opportunity to study the matter over the weekend before commenting in detail on it.

But, I merely wish to make clear that insofar as I am aware, the only person to have suggested any relationship between me and the House Ways and Means Committee action was the Senator from New Mexico. There is no relationship. The House leadership was well aware prior to that meeting of my willingness to accept and support that plan. I hope we can have action.

Today, the Labor Department reported that the unemployment rate rose to 6.8 percent. That is where it has been hovering virtually all year. The largest job loss was in retailing because consumers are not spending. American consumers lack now both cash and confidence.

The construction industry in the United States has seen a full 10 percent of its jobs vanish in just this last year. The unemployment rate in that sector of the industry is now at 16 percent.

The Index of Leading Economic Indicators, which forecasts economic activity 6 to 8 months in the future, fell one-tenth of 1 percent after a flat performance last month.

The economy is stagnant. We need an economic recovery program. I have outlined one which I have proposed. Other Democrats have offered other proposals. We hope that we can have action soon.

Yesterday, the President said he was distressed at being criticized for vetoing the unemployment insurance bill. I believe the proper course of action for the President would have been, of course, to sign the bill. That is a simple, single action which would have permitted meaningful benefits to flow to Americans who, through no fault of their own, confronted dire emergencies a long time ago.

Now, I indicated to the Speaker and to the House leadership that I was prepared to support the Bentsen proposal, even though I had proposed as an alternative to it that we freeze the foreign aid budget instead of the unemployment compensation budget. The savings from freezing foreign aid in the future, not cutting it below current levels, simply holding spending at current levels, would pay for extended unemployment benefits for American families today—and without any direct cut in foreign aid to any one nation.

I was pleased to hear the distinguished Republican leader discuss the strong opposition on the Republican side to foreign aid spending and perhaps there may be some willingness on the part of our Republican colleagues to freeze foreign aid in the future, although we are advised that the President would oppose such a plan.

Mr. President, the Warsaw Pact collapsed 2 years ago. The Soviet Union as a single entity is in the process of collapse. The threats to the United States and to Western democracies that were real and tangible in past years are no longer real and tangible.

Yet we still spend over $16 billion each year on foreign aid to shore up friends and allies in the face of the perceived Soviet threat.

But that's yesterday's threat. Yet the American taxpayer is still sending upwards of $16 billion to 147 different countries each year.

Instead of asking for ever-increasing amounts of foreign aid, as President Bush has so far done, my proposal is simple: Put Americans first.

There is no monolithic Soviet empire seeking to undermine Third Countries. There is no need to spend billions of dollars persuading people that communism does not work when communism is collapsing right around their own ears.

Meantime, here at home, more than 8½ million Americans are out of work.

Three million Americans will lose every sources of income this year because they have exhausted their unemployment insurance and cannot find work. Their homes, their autos, the economic security of their lifetime's work will be at risk through no fault of their own.

The President says this is not an emergency, so he will not declare an

emergency that would allow the $8 billion in the unemployment trust fund to go to these people.

But the President has declared emergencies that demands budget-busting spending for Kurdish people, Israeli people, Turkish people, and many other outside the United States.

He just does not see an emergency when it comes to American people.

The President says he wants to see the program paid for. Well, my proposal to freeze foreign aid spending at 1991 spending levels would pay for it. What is wrong with that?

The President would only need to choose between the needs of Americans here in our own country or programs devoted to helping people in other countries.

Under my proposal, the foreign aid spending that now goes to 147 different foreign countries would simply be frozen. I am not even proposing to cut away money out of foreign aid. I am saying let us freeze it at current levels for 4 years and that would save nearly $6 billion.

It would allow us to give more than 1½ million American workers and their families extended help in this long and deep recession. It would allow those families to have a source of income so they could save their homes, so their cars would not be repossessed, so they can hold on to the economic security they have worked for.

Mr. President, this is not a fight between political parties. The victims of this are the unemployed people, and they are the ones we should be concerned about.

Charity ought to begin at home. Today the needs of Americans are being overlooked. The needs of Americans out of work are serious. They affect millions of families in every State of the Union.

Twice now the Congress has passed legislation to deal with their needs. The first time we asked the President to recognize an emergency involving Americans. He refused. The second time he vetoed the bill. We have to do something now. We have to get unemployment benefits flowing to those Americans who need them.

Mr. President, the real issue is the number of Americans who are going to be covered. That is the issue. Are we going to deal seriously with the problem or not?

I would point this out: In the recession of 1971, there were 26 weeks of extended insurance benefits. In the recession of 1975, there were 39 weeks of extended insurance benefits. In the recession of 1982, there were 29 weeks of extended insurance benefits. Our proposal, the Democratic proposal, provides for 20 weeks of extended insurance benefits, less than the amount in each of the three previous recessions in the past quarter century, and yet we have been told that is too much.

Just 2 days ago, the President's Director of the Office of Management and Budget said, "That is too much. We can't go beyond the level of benefits in the bill offered by our colleagues."

We believe that not to be sufficient. We believe that there has to be the level of benefits contained in our bill and we will insist upon that. We hope the President reverses his position and accepts that level of benefits.

Mr. President, recently the Center on Budget and Policy Priorities prepared an analysis of the two bills. It indicates, I will quote just briefly from it. It indicates that: "The difference is very substantial. This report finds that nearly 1 million jobless workers who have exhausted their State benefits since March 1 would be eligible for assistance under the bill vetoed by the President, while just 135,000 such workers would be eligible * * *" under the alternative bill offered by our colleagues. That is a difference in coverage between 1 million people and 135,000.

Mr. President, I ask unanimous consent that the full text of this report be printed in the RECORD.

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

[Center on Budget and Policy Priorities, Oct. 14, 1991]

REACHING BACK TO HELP THE UNEMPLOYED

(By Isaac Shapiro)

Last Friday, President Bush vetoed legislation that would have provided additional unemployment benefits to workers who exhaust their state benefits. The President has indicated he prefers unemployment insurance legislation similar to that introduced by Senator Robert Dole.

Some of the more widely-discussed differences between the bill vetoed by the President, S. 1722, and the Dole legislation include the controversy over the emergency waiver in S. 1722 as well as differences regarding the number of weeks of additional benefits that would be provided to workers exhausting their benefits during the next several months.

Another key difference, however, has received less discussion than it merits—the difference in the amount of assistance provided to workers who have exhausted their unemployment benefits over the past half year and are still out of work.

This difference is very substantial. This report finds that nearly one million jobless workers who have exhausted their state benefits since March 1 would be eligible for assistance under the bill vetoed by the President, while just 135,000 such workers would be eligible for assistance under the Dole bill.

Those affected are among the jobless workers whose needs are likely to be greatest since they have been out of work and without benefits the longest.

COMPARING THE "REACHBACK PROVISIONS"

Both bills provide benefits to two groups of jobless workers. The first group consists of those workers whose state unemployment benefits run out during the nine-month period after the bill is enacted. All such workers will be eligible for assistance under both bills, with S. 1722 providing a maximum of seven to 20 weeks of assistance to these workers, depending on the state where the worker lives. The Dole bill would provide these workers a maximum of six to ten weeks of assistance.

The second group of workers affected by these bills consists of workers whose benefits ran out between March 1, 1991 and the present and who are still out of work and looking for a job. The provisions covering workers whose benefits ran out between March 1 and early October are known as "reachback provisions" and are the focus of this analysis.

The reachback provisions of the two bills differ greatly. The provisions of the vetoed bill cover the vast majority of workers who have exhausted unemployment benefits in recent months. The Dole bill covers only a small fraction of these workers.

In 36 states and the District of Columbia, workers who exhausted their state unemployment insurance benefits between March and early October—and who are still unemployed—would be eligible for additional aid under S. 1722. Nearly nine of every ten workers who exhausted their state benefits in recent months—89 percent—live in these 36 states.

By contrast, under the Dole proposal, workers who have exhausted their benefits since March 1 would be eligible for benefits in only six states. Just 14 percent of workers who exhausted their state benefits in recent months live in these six states.[1]

The difference in the number of jobless workers who are assisted under the reachback provisions of the two bills is similarly stark. (See the Appendix for an explanation of how these figures were calculated. As explained there, this analysis is likely to underestimate the number of workers affected by the reachback provisions under both bills, particularly in large states. The understatement of the number of workers affected is larger for S. 1722 than for the Dole proposal.)

An estimated 980,000 workers who exhausted their benefits between March 1 and October 5 would be eligible for additional benefits under S. 1722's reachback provision.

By contrast, an estimated 135,000 workers who exhausted their benefits during this period would be eligible for additional benefits under the Dole reachback provision.

S. 1772's reachback provision assists 845,000 more jobless workers—seven times as many people—than the reachback provision in the Dole bill.

STATE ANALYSIS

As Table I indicates, in 31 states and the District of Columbia, workers whose benefits expired between March and early October would be eligible for benefits under S. 1772's reachback provision but would not be eligible for benefits under the Dole bill. These states include most of the states with the highest unemployment rates in the nation.

West Virginia's unemployment rate of 10.5 percent is the highest of any state in the nation. Michigan's rate of 9.7 percent is second highest. Mississippi's rate of 8.7 percent is fourth highest. None of these states would qualify for reachback help under the Dole bill. All would qualify for reachback help under S. 1722.

Seven other states that have unemployment rates above seven percent would be eligible for reachback assistance under S. 1722 but not under the Dole bill. These states are Alabama, Arkansas, California, Florida, Kentucky, Louisiana, and New Hampshire.

[1] Both bills would provide reachback benefits to Puerto Rico.

The differences between the two bills would affect particularly large numbers of people in various states.

In California, nearly 170,000 jobless workers whose benefits ran out between March and early October would be eligible for additional assistance under the vetoed bill. None of these workers would be helped by the Dole bill.

In New York, 106,000 workers would be eligible to be helped by the reachback provision under the vetoed bill; none would receive assistance under the Dole bill.

In Florida, Michigan, Pennsylvania, and Texas, 50,000 to 60,000 workers in each state would be eligible to be assisted by the reachback provision under the vetoed bill but would not be assisted under the Dole bill. Just under 50,000 workers in Illinois would benefit from S. 1722's reachback; none of them would receive help under the Dole bill.

In addition, in four of the six states that do qualify for reachback assistance under the Dole bill, fewer weeks of assistance would be provided—and fewer workers would be helped—than under S. 1722. These states are Alaska, Maine, Massachusetts, and Rhode Island. (See Table II for the maximum number of weeks of additional assistance that workers in each states would receive under the reachback provisions of the two bills.)

In New Jersey, the same number of workers would qualify for reachback assistance under both bills. In this state, however, the Dole bill would provide more weeks of benefits.

In one state—Connecticut—workers would qualify for reachback assistance under the Dole bill but would not qualify for this assistance under S. 1722.

A final point should be mentioned about the reachback provisions of the Dole bill. Under the Dole proposal, a state's eligibility for reachback coverage is not directly tied to a state's unemployment rate. Consequently, most states with unemployment rates above seven percent would not qualify for reachback assistance, while some states with unemployment rates below seven percent would qualify. New Jersey's unemployment rate is 6.2 percent—below the national average of 6.7 percent—while Alaska and Connecticut both have unemployment rates under seven percent. These are three of the six states that do qualify for reachback help under the Dole bill.[2]

This anomalous situation—of workers living in states with the highest unemployment rates in the nation not qualifying for additional assistance while other workers in states with stronger labor markets do qualify for this aid—would not occur under S. 1722. Reachback eligibility under S. 1722 is tied to a state's average unemployment rate over recent months. All states with average unemployment rates of six percent or more would qualify for assistance.[3]

RECENT EXHAUSTEES ARE IN NEED OF AID

The reachback provisions are important because they are designed to help a group of workers likely to find themselves in an especially precarious position. The family of a worker who exhausted state unemployment benefits between March and September—and who is still looking for a new job—is likely to be in more difficult economic straits than the family of a worker who exhausts state unemployment benefits this month or next. The family that exhausted its benefits earlier in the year is more likely to have partly of fully depleted any other resources on which it could draw.

Many families whose workers exhausted their benefits since March may already have fallen into poverty. A Congressional Budget Office study issued last year compared the poverty rate among jobless workers during the period they received unemployment benefits to their poverty rate three months after their benefits ran out. The study found their monthly poverty rate was twice as high after they exhausted their benefits. Nearly one in three who had exhausted their benefits were poor.[4]

It should be noted that if the federal government had responded earlier in the recession to address the problem of workers exhausting their unemployment benefits, workers who exhausted their benefits in recent months would have received or would be receiving this additional aid. It seems ironic, as well as inequitable, to deny additional benefits to such workers simply because the federal government took so many months to act—and consequently, their benefits ran out before the unemployment legislation was enacted.

Since March, from 240,000 to 334,000 workers have exhausted their state benefits each month without being eligible for additional aid. In July and August, more than 300,000 workers exhausted their unemployment benefits each month without being able to receive any extended benefits. Levels this high are unprecedented in the recorded history of the unemployment insurance program.

Both the greater need among those whose benefits have already run out and the principle of providing equal assistance to jobless workers placed in similar circumstances suggest that unemployment insurance legislation should include strong reachback provisions.

TABLE I.—NUMBER OF JOBLESS WORKERS WHOSE BENEFITS HAVE RUN OUT SINCE MARCH AND WHO WOULD QUALIFY FOR ADDITIONAL AID UNDER THE TWO BILLS

	Under Dole bill	Under S. 1722
Alabama	0	12,239
Alaska[1]	3,248	4,052
Arizona	0	0
Arkansas	0	9,051
California	0	168,966
Colorado	0	0
Connecticut	22,339	0
Delaware	0	1,828
District of Columbia	0	5,469
Florida	0	50,002
Georgia	0	34,262
Hawaii	0	0
Idaho	0	4,636
Illinois	0	49,517
Indiana	0	16,341
Iowa	0	0
Kansas	0	0
Kentucky	0	11,130
Louisiana	0	8,384
Maine[1]	7,407	11,077
Maryland	0	19,343
Massachusetts[1]	40,482	46,725
Michigan[1]	0	59,796
Minnesota	0	0
Mississippi	0	8,441

[2]Under the Dole bill, a state's eligibility for additional benefits is determined by the number of people claiming state unemployment benefits as well as the number of people exhausting state benefits in the most recent three months. As a result, some states with restrictive unemployment insurance programs that make it harder for unemployed people to qualify for state benefits—such as Mississippi and West Virginia—are less likely to qualify for reachback help under the Dole bill than are states with less restrictive unemployment insurance programs.

[3]Specifically, a state would be eligible for reachback benefits under S. 1722 if its unemployment rate either from February to July or from January to June averaged six percent or more.

[4]Ralph E. Smith and Bruce Vavrichek, the Congressional Budget Office, Family Incomes of Unemployment Insurance Recipients and the Implications for Extending Benefits, February 1990.

TABLE I.—NUMBER OF JOBLESS WORKERS WHOSE BENEFITS HAVE RUN OUT SINCE MARCH AND WHO WOULD QUALIFY FOR ADDITIONAL AID UNDER THE TWO BILLS—Continued

	Under Dole bill	Under S. 1722
Missouri	0	21,649
Montana	0	2,941
Nebraska	0	0
Nevada	0	6,590
New Hampshire	0	706
New Jersey	58,246	58,246
New Mexico	0	3,513
New York	0	106,314
North Carolina	0	23,462
North Dakota	0	0
Ohio	0	37,233
Oklahoma	0	6,457
Oregon[1]	0	10,356
Pennsylania	0	55,343
Rhode Island[1]	3,958	10,919
South Carolina	0	11,986
South Dakota	0	0
Tennessee	0	24,996
Texas	0	53,634
Utah	0	0
Vermont[1]	0	1,803
Virginia	0	0
Washington	0	20,273
West Virginia[1]	0	5,850
Wisconsin	0	0
Wyoming	0	0
United States	135,861	983,533

[1]See "Note on Tables."

Source: Center on Budget and Policy Priorities calculations based on information from the U.S. Department of Labor, the Congressional Research Service, and Mathematica, Inc.

TABLE II.—MAXIMUM NUMBER OF WEEKS OF BENEFITS THAT ELIGIBLE INDIVIDUALS COULD RECEIVE UNDER THE REACHBACK PROVISIONS OF THE TWO BILLS

	Under Dole bill	Under S. 1722
Alabama	0	13
Alaska[1]	0–10	0–13
Arizona	0	0
Arkansas	0	13
California	0	13
Colorado	0	0
Connecticut	10	0
Delaware	0	7
District of Columbia	0	13
Florida	0	13
Georgia	0	7
Hawaii	0	0
Idaho	0	7
Illinois	0	7
Indiana	0	7
Iowa	0	0
Kansas	0	0
Kentucky	0	13
Louisiana	0	13
Maine[1]	0–10	7–20
Maryland	0	7
Massachusetts[1]	0–10	7–20
Michigan[1]	0	7–20
Minnesota	0	0
Mississippi	0	20
Missouri	0	7
Montana	0	13
Nebraska	0	0
Nevada	0	7
New Hampshire	0	13
New Jersey	10	7
New Mexico	0	13
New York	0	13
North Carolina	0	7
North Dakota	0	0
Ohio	0	7
Oklahoma	0	7
Oregon[1]	0	7
Pennsylvania	0	13
Rhode Island[1]	0–10	7–20
South Carolina	0	7
South Dakota	0	0
Tennessee	0	7
Texas	0	7
Utah	0	0
Vermont[1]	0	0–13
Virginia	0	0
Washington	0	7
West Virginia[1]	0	7–20
Wisconsin	0	0
Wyoming	0	0

[1]See "Note on Tables."

Source: Center on Budget and Policy Priorities based on information from the U.S. Department of Labor and the Congressional Research Service.

NOTE ON TABLES

States marked with an asterisk are states that were eligible for the federal extended benefits program, which provides up to 13 ad-

ditional week of extended benefits, during all or parts of the period between March 1 and early October. Under both bills, any weeks of benefits a worker received under the extended benefits program would count against any potential reachback benefits the worker could receive.

For example, Alaska was eligible for the extended benefits program from February through the beginning of September. Workers in Alaska who received the full 13 weeks of extended benefits during this period would not be eligible for any additional assistance under S. 1722. The 13 weeks of extended benefits assistance would fully offset the maximum number of weeks of reachback benefits that S. 1722 would provide in Alaska, which is also 13 weeks.

Such workers in Alaska would also be ineligible for any reachback benefits under the Dole bill. Workers in Alaska who received between 10 and 13 weeks of extended benefits during this period would also fail to qualify for reachback benefits under the Dole proposal. This is because the Dole bill provides a maximum of 10 weeks of reachback benefits in Alaska. (An Alaskan worker could have received fewer than 13 weeks of extended benefits in recent months if, for example, the worker was one of those jobless individuals who had collected less than the full 13 weeks of extended benefits when the state became ineligible for the extended benefits program in early September.)

An Alaskan worker who received five weeks of extended benefits before Alaska became ineligible for the program could receive up to eight additional weeks of benefits under S. 1722 and up to five additional weeks of benefits under the Dole bill.

The data reflected in Table I on the number of workers eligible for benefits under the reachback provisions of the two bills take into account the fact that some exhausts in states marked with an asterisk would not qualify for additional benefits.

APPENDIX—ESTIMATING THE NUMBER OF PREVIOUS EXHAUSTEES WHO MAY STILL BE ELIGIBLE FOR ADDITIONAL BENEFITS

Many workers who have exhausted their unemployment benefits since last March have found new jobs and would no longer qualify for or need additional unemployment aid. Many others, however, have not. They have exhausted their unemployment benefits, continue to look for work, but have not found a job.

No ongoing government survey exists of the number of workers that fall into these different categories. As a result, it was necessary to estimate the number of workers who have exhausted their unemployment benefits since March and would be eligible for additional benefits under the two bills.

The estimates are based on actual data on the number of workers exhausting their benefits each month and an estimate of how many of these workers potentially remain eligible for new aid because they have not been reemployed. The estimate is based on a study conducted by Mathematica, Inc. for the U.S. Department of Labor. (Walter Corson and Mark Dynarski, Mathematica Policy Research, Inc., A Study of Unemployment Insurance Recipients and Exhaustees: Findings From a National Survey, September 1990.) This study estimated the length of time it took workers who exhausted their unemployment benefits to find a new job. Similarly, the study estimated the percentage of workers who exhausted their unemployment benefits who then found new jobs after various periods of time. For example, the study found that 10 weeks after workers exhausted their benefits, 40 percent had found a new job.

The study covered 1988, when the unemployment rate was 5.5 percent. The unemployment rate is higher today, having averaged 6.8 percent since March. In today's weaker labor market, it is likely to take longer to find new employment than in 1988. Consequently, using the results of the Mathematica study is likely to understate the number of workers who exhausted their benefits since March 1991 and who remain without a job today. The estimates derived here therefore tend to understate the number of workers potentially eligible for the reachback provisions of the two bills. Since S. 1722 provides reachback benefits in six times as many states as Dole, the understatement is greater for S. 1722.

For purposes of this analysis, the results of the 1988 study were applied universally across states. Since most state labor markets are weaker than they were in 1988, this is likely to understate the number of workers affected by the reachback provisions in most states. The understatement would be largest in those states whose unemployment rates are now highest and where it consequently is most difficult to find a new job.

Mr. MITCHELL. Mr. President, I also would like to address the subject of financing. I know that my distinguished colleague has repeatedly talked about paying for the measure. I think it is very important to understand that the payment mechanism included in the alternative bill involves two provisions.

The first is to collect on default of students loans. The problem is, that proposal brings in not one penny to the Treasury until 1994. It extends, after 1994, an authority the Internal Revenue Service already has to collect unpaid loans out of a person's tax returns; that is persons who are entitled to an income tax return. Under an accounting treatment that the Office of Management and Budget has previously rejected, that would take credit in 1992 for money that will not flow into the Treasury until 1994.

The other major funding source is the sale of certain rights under the broadcasting spectrum by the Federal Communications Commission. The bill would require the sale of the eligible spectrum in 1992 but would result in a substantial loss to the Treasury by forcing the sale in a shorter period of time than would be appropriate.

I believe that it would be better to simply freeze foreign aid. And I hope, given the record with respect to foreign aid to which my friend and colleague earlier referred, that perhaps we could get a willingness to be supportive on that side. If that cannot be done, then, as I indicated to the Speaker earlier, prior to the Ways and Means meeting—and I repeat here—I am fully prepared to support the alternative proposal set forth by Senator BENTSEN.

I hope that could be agreeable and acceptable to our colleagues, and that the President will reverse his position on this issue and that we could then proceed to get this matter resolved.

I made clear my preference for the foreign aid freeze. I cannot understand why anyone would object to just holding foreign aid at the current level to enable us to take care of our own people; $16 billion to 147 other countries—that is what we are providing now. That is plenty of money, given our domestic needs here at home.

Now, I have not proposed to cut foreign aid. I have not proposed to take one country and single them out and cut their funding. What I said is that Americans need help, that we ought to put Americans first, and heed the old Biblical saying that charity begins at home.

So, Mr. President, I welcome the comments of the distinguished Republican leader about a willingness to get this behind us. I think we all share that view. I think we all recognize the very real needs among the American people. There is very great stress and anxiety, even fear, among those who now face, in some parts of the country, a very stern and severe test this winter with no income whatsoever. We have an obligation to see to it that they receive their benefits.

I understand that the Ways and Means Committee has not rejected the proposal; that they wanted time to consider it; that they are going to come back on Monday. Perhaps they will either accept it or propose an alternative or make some changes, and we can get this done in a way that will bring the benefits to the people who really desperately need them.

Mr. President, I am pleased now to yield to the distinguished Republican leader.

Mr. DOLE. Mr. President, I will just comment very briefly. I think there will be plenty of time for debate. I appreciate the comments of the majority leader.

Certainly on foreign aid, I think the problem would be you probably could not just freeze it; there would be efforts by some on both sides to cut foreign aid. And I have learned that foreign aid is not very popular in America. What Americans are looking for is American aid.

I am not sure whether it will cover credit guarantees to the Soviet Union, whether or not the freeze would cover loan guarantees of $10 billion that Israel requested. The Soviet Union is asking for an additional $2.5 billion credit guarantee.

I am not certain how foreign aid is defined. But I do believe there would be a lot of interest in reducing the foreign aid budget, not just freezing the budget, but probably in reducing the foreign aid budget by some Members on both sides of the aisle.

But let me assure the majority leader that we have not rejected the alternative financing. In fact, I met with Senator BENTSEN. And I know when you pick up $3.2 billion somebody is going to be disadvantaged. I think what Treasury is looking at, and I

think what some of the members of the Ways and Means Committee—they did not reject anything today—what they want to look at is what is the distribution—does it hit farmers or small business men or women or big business or whatever—before they make a final judgment on Monday.

So I would say to the majority leader that I recognize that our bill was not as generous as the original Bentsen proposal. We never indicated it was. We said ours was only 10 and 6 weeks. Certainly his was more generous, with three tiers, 30, 20, and 7, I believe. But it cost twice as much.

The point I hoped to make was if we could find some way to pay for it—even though the scoring, as you indicated, may not be the way we would score it—if it is agreed to by CBO on the $1.7 billion on student loans and OMB. And I think the same is true of the Bentsen proposal which picks up another $3.2 billion.

So, in my view, the options are there to pay for it. Maybe foreign aid is another viable option. I think if we can just agree on the structure, I think we could do business very quickly.

Mr. MITCHELL. Mr. President, that is my hope. As we all know, Senator DOLE and I perhaps better than anyone, that rarely do we ever get our way completely.

Mr. DOLE. That is right.

Mr. MITCHELL. That is a direct result of the competitive nature of our political process, and it is appropriate.

I have a preference. I have stated it. Senator DOLE has a preference. He has stated it. Senator BENTSEN has a preference. He has stated it. Many others have their preferences.

What I hope—and I have stated the reasons for my preference—but what I hope is out of all this we can produce legislation that will achieve what we ought. We must keep in mind what is our central objective, the objective which I have sought to attain since early summer, and that is to provide much needed extended unemployment insurance benefits to the millions of American families who need them. The objective can sometimes be obscured in the back and forth, and the different proposals and plans made on either side. But I think we have to keep our eyes fixed on that objective.

What we are concerned about is the well-being, indeed the survival intact, of American families at a time of great stress; at a time of, really, serious economic problems throughout our entire society.

MOTION TO PROCEED WITHDRAWN—S. 1220

Mr. MITCHELL. Mr. President, I now withdraw the motion to proceed to S. 1220.

The PRESIDING OFFICER. The motion is withdrawn.

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein.

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

S. 596—THE FEDERAL FACILITIES COMPLIANCE ACT

Mr. DODD. Mr. President, I rise today to express my pleasure on the adoption of the Federal Facilities Compliance Act on October 24 and particularly commend my colleague the majority leader Senator MITCHELL, on his efforts in bringing the Federal Facilities Compliance Act to the floor.

The act, designed to prevent Federal polluters from claiming immunity from enforcement of Federal and State hazardous and solid waste laws, is long overdue.

In fact, the Federal Government which operates more than 2,300 facilities which treat, store, or dispose of hazardous waste is counted among the Nation's worst polluters with 120 facilities on the 1,200-site Environmental Protection Agency national priority list of the Nation's most contaminated sites. The Department of Defense and the Department of Energy are particularly egregious offenders of the Nation's environmental protection laws with compliance rates 10–15 percent lower than private facilities.

Mr. President, enactment of the Federal Facilities Compliance Act will mean that Federal facilities, again, many of whom are on the EPA's national priority list, no longer have indiscriminate authority to pollute without fear of accountability.

The act will give State environmental officials and the Environmental Protection Agency much needed power to hasten the clean up of hazardous waste sites on Government land. It will end the immunity exercised by executive branch polluters to penalties under national hazardous waste laws and will clarify EPA's authority to fine and to take administrative enforcement action against Federal facilities that are in violation of hazardous waste requirements.

Thus, the Federal Facilities Act will force those entities responsible for a substantial number of facilities currently violating national hazardous waste laws to answer to State and Federal regulators and follow the statutory scheme for hazardous waste cleanup. It is only logical that Government facilities be subject to the same stringent hazardous waste cleanup laws as their private counterparts.

As we continue to view the devastating environmental effects of poorly managed hazardous waste sites, it becomes clear that drastic action is necessary to enforce hazardous waste cleanup provisions. This act recognizes that Government, rather than being immune to hazardous waste regulations, should take the lead in requiring environmentally safe hazardous waste facilities.

Environmental safety, whether it involves cleanup of existing problems or prevention of unnecessary pollution, is a public responsibility. The Government is the ultimate representative of the Nation's public and thus must assume responsibility for its own contribution to the Nation's hazardous waste problem. Passage of this act will ensure that Government will become more responsive to the environment.

IOWA'S EDUCATION ACHIEVEMENTS

Mr. GRASSLEY. Mr. President, although a new revolution in American education is just beginning, Iowa has already accomplished many of our Nation's educational goals for the year 2000. Most of Iowa's students start school ready to learn, and 88 percent of them graduate from high school. They have outstanding academic achievement, including the Nation's highest or next to highest scores on both national aptitude tests for college admission.

Iowa has one of the Nation's best and safest learning environments. It has an exemplary record of parental involvement—parental involvement and encouragement which, frankly, is crucial for the rest of the Nation to understand if it ever hopes to achieve similar success in educating our children.

Notwithstanding Iowa's impressive educational achievements, we are always looking for ways to improve. Consequently, there have been several State-level reports on how changes can further improve the educational system of Iowa. The most recent report was issued by the Teachers Association itself. This report, called "Time for Change", lists what teachers say will help upgrade our schools. I am proud to share this report with my colleagues, and I commend Iowa's teachers for their hard work in producing it.

This thought provoking report acknowledges what I have long believed—"education is controlled locally in America, and no one wants it any other way. No one favors Federal control over education, particularly in the absence of Federal support." Iowa has achieved so much in education because the Federal Government has deferred to State, local, and community control over the education of our children.

Teachers devote their careers and lives to educating our children, so it is important to draw from teachers' expertise to determine what they think will improve education in our schools. After all, they are in the trenches on a daily basis dealing with the challenges of teaching our children.

As with any report, no one will agree with every conclusion. Likewise, I do

not embrace everything in this report. For instance, the report envisions the school as the clearinghouse of the community and a "viable clinical setting for dealing with the needs of the whole child." It thus recommends expanding the role of health and social work professions to meet the whole child under one roof.

The report also recommends that "only those licensed to do so will be permitted to make decisions about a student's progress or achievement."

We can all appreciate the fact that in today's world, children do spend a considerable time in school, and needs beyond the primary mission of educating our children from time to time must be met within the school environment.

And few would argue that the education and licensing standards established for teachers make them uniquely qualified to make decisions about a student's progress and achievement.

But it seems that these two recommendations diminish—instead of build upon—the backbone and key to Iowa's education successes.

I am referring to the absolutely critical role that Iowa's families play in our children's educational achievements. Iowa's school children succeed because their families and communities have instilled into them a very strong work ethic. Our children are highly motivated to learn, to obtain a good education, and to excel.

Iowa's teachers have been instrumental in further encouraging this work ethic and motivation, but if that foundation and support does not exist at home, it is rare that a school environment can fill these unmet needs of the child.

If there is one thing that the Iowa education success story demonstrates, it is the importance that the needs of the whole child are met, not in a clinical setting of social workers and health care professionals, but instead in the home by the child's family.

Therefore, what I would like to see is some serious consideration into what can be done to increase parental involvement, not diminish it. There is no question that families live in a busy world, particularly those with both parents working, or those with only one parent in the household. But for most parents, their primary concern is for their children, and they are anxious to do what is necessary to assure a good life and future for their children.

With these things in mind, Mr. President, I recommend this report to my colleagues, and ask unanimous consent that the full text be placed in the RECORD after my remarks. I commend Iowa's teachers for the initiative, time and effort they took in preparing this report.

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

TIME FOR A CHANGE—A REPORT TO THE PEOPLE OF IOWA

Asking the Experts

Iowa has a good record in educational reform. Ours is the only state to finance decentralized change. We involve many groups, organizations and sectors in our schools. Our students consistently out-perform others nationally; and Iowa's teachers are known nationally for educational quality, reform and innovation.

But even in Iowa, schools today are the same as they were at the beginning of the "excellence movement." Permanent structural changes in schools have not occurred. In part, this is because the recommendations of teachers have not been heard clearly. While many issue reports about education, few ask teachers for information. In this report, Iowa's teachers say clearly what must be done to improve schools.

Method

We started with a scientific sample of Iowa's teachers. From responses to a questionnaire of one hundred items, four major concerns were identified. These were made into questions and taken to groups of teachers, selected at random. Discussion in each group was transcribed and analyzed. A summary was drafted and submitted to state-level teacher leaders, who adopted recommendations. A report was drafted and submitted to leaders of local teachers' associations. Recommendations were returned to the state-leaders' group for review. Many were incorporated into a draft which was approved by the ISEA's Executive Board. The result fairly and scientifically defines the advice which teachers have for Iowans.

We begin with the school building, because the building is where everything comes together for students. The second part deals with state-level reforms which will support change in buildings. The third part deals with federal changes which support state and local changes. Finally, we offer a vision of schools in the future.

In this report, we take a "systems approach." We look at the way our proposals interact. Then we select elements which are moral, professional, equitable, efficient, and viable. Finally, we select only those elements which have the greatest leverage for transforming schools permanently.

SUPPORTING REFORM AT THE SCHOOL BUILDING

A Lack of Time

Our greatest need is time, time to educate every child fully. We need time to change our teaching styles so that we can work with individuals rather than groups. We need time to prepare for classes and instruction. We need time just to "catch up," let alone to prepare. And, we need time for professional improvement.

We need time to involve parents with schools and their children's learning. We need time to educate parents about parenting and learning in the home. We need time to personalize learning for each child. We need time for summer school—not for all children, but for those who might require or profit from it. A longer school day is not desirable, as this, in itself, does not improve the quality of instruction.

We need time to develop schedules which are flexible and which reflect parents' needs and students' learning styles. We need to create professional teams which guide learning and help children keep growing. We need time for planning during the school day. We need time to work on skills which allow us to work interactively toward each child's unique potential. We need more time just to teach.

We need time to collect the information needed to make decisions about our work environment—the school building. We need time to analyze that information, ponder it, and design proposals for the future. We need time to make schools "a safe place for the mind to grow." We need time to make decisions which transform schools while reforming them.

We need time to educate every child—but those with special needs and the "average" child. We need time for professional journals, sabbaticals, graduate courses and degrees, continuing education, our health, our families and our own lives. We need time to work in and make a contribution to our neighborhoods. We need time for planning, working with volunteers and paraprofessionals, real evaluation, professional growth, mentoring new teachers, helping other colleagues, working with children with special needs, and for mainstreaming.

The Missing Ingredient

We can save time by getting rid of non-instructional on teaching—like unnecessary announcements from the public address system. Professional time can be saved by delegating lunchroom duty, study hall and playground supervision to others. Time can be saved by removing things from the curriculum when others are added. But overall, we need more time for quality. In fact, we need more time just to decide how to use our time. Until teachers have the time to change, schools will resist change. Schools need time, for a change.

Some Assumptions

Time costs money, and money is in short supply. Since money is limited, new money should be spent on priorities. Priorities should be set by those nearest to the point of implementation, teachers. Additional money will be needed, because the increase in new money controls the rate of change. Retooling can be financed without new money, but only if innovation is delayed. Any delay sacrifices increasing numbers of students to a system which is already obsolete.

Greater efficiency in obsolete schools cannot prepare children for the Twenty-first century. Unless there's a change in the structure of education, students will be increasingly unable to compete in a world economy, contribute to democracy, or achieve personal fulfillment. A major change in quality is needed; This depends on adequate and assured financing for education and educational reform.

Proposals for Time

These innovations about time can help to transform schools:

Time for team planning, team teaching, and cooperative education at the building level.

Time to plan for comprehensive school transformation through participatory decisionmaking.

Time to learn and deploy new technology which improves teaching and productivity for students and teachers.

Redesign of instructional time to include a wider variety of teaching strategies, such as discovery and guided discovery so that teaching styles can be matched with learning styles. This may require the elimination of some items from the curriculum to make room for others.

A longer teacher contract year with any additional time dedicated to preparing, planning, mentoring new teachers, and growing professionally.

Time to participate in state-level professional activities, such as serving on or at-

tending meetings of the FINE Commission, the Board of Educational Examiners, or the many committees of the Department of Education.

Redesign of the school year—in terms of total hours, not days.

Relief from distracting intrusions into instructional time and the learning environment.

Professional discretion over the use of professional time.

Creation of a maximum class size in traditional instructional classrooms which calculates class size by including weights established for each student with special needs.

Authority and Responsibility

Teachers are licensed by the State. We have the exclusive legal authority to teach; yet we lack effective authority over local decisions relating to teaching. We have no authority over schedules in buildings, even though schedules control the learning environment. We have little authority over professional development, a building's program budget, the hiring of other professionals in our buildings, student placement in regular or special education, discipline policies for students, planning time, involuntary transfers of personnel, space allocation, peer evaluation for licensure, or practice teachers from teacher education programs. Authority exists on paper; but in practice, there is responsibility only.

One reason schools are inflexible is that teachers lack authority over professional functions. We are ready to build trust by working cooperatively; to interact with one another collegially; and to build meaningful goals and commitments for schools. But we are blocked by obsolete, undemocratic notions of authority and bureaucracy. To do our jobs, we need a clear definition of our authority.

We want to make real decisions—beyond token "input"—and we want to implement decisions meaningfully. Central authority is appropriate for some things; but school boards must be willing to delegate effective authority to principals and teachers in order to achieve results. Only teachers and principals can effectively organize their own work.

We are willing to change collective bargaining so that it complements decisions made by professionals in school buildings; but superintendents and school boards must support shared authority and decisions made by others. Real participatory governance is necessary. The "narrow legalistic conception of governance," which rules schools today, makes effective schools impossible and sets an anti-democratic example for students.

The process must be fair. It must give effective authority over instructional matters to those who are exclusively licensed to perform such tasks. Decisions should be based on professional knowledge and knowledge of individual students. Because each child and learning environment is unique, there will be great variety. This is an asset.

Decisions do not occur in isolation. They are part of a district's total decisionmaking system. In such a system, teachers serve in leadership roles. Principals, too, are key players. We are ready to be leaders, make commitments, and transform schools permanently. But others must be ready to see and accept us in new roles. We are willing to change, but others must allow us to do things differently.

Recurring Themes

Iowa's teachers are willing to change the way decisions are made. We are ready to define teachers' unique responsibilities in school buildings; but we need effective authority over processes which define what teachers do. We are ready to be accountable for our decisions; but meaningful accountability depends on effective professional authority.

Recommendations

These hold great promise for transforming authority in school buildings:

Teachers and principals have effective authority over decisions which affect their work and time.

Instructional decisions are differentiated from building management issues.

Knowledge, training and information about collaboration and effective leadership are available to principals and teachers.

Governance of the school site is shared by principals and teachers.

Decisions about what can be done and should be done are realistic and based on available resources.

Multiple options about goals, based on available resources, are provided by educators in each building for board approval.

Accountability for achieving goals is limited to programs which have been mutually agreed upon.

Collective bargaining supports professional decisions made in each building by teachers and principals.

"Action research"—research from practice and practice from research—drives decisions at the school site.

Administrative and board support for decision making in school buildings is present if schools are to be transformed.

Innovations are based on readiness, are voluntary, and are committed to gradual rather than sudden change.

Teachers, principals and administrators are accountable for meeting the educational needs of their students. The decision on how to teach remains the exclusive prerogative of those who are licensed for this purpose.

Teachers and principals have the effective authority to perform the tasks for which they are exclusively licensed by the state.

Evaluation and Accountability

Economic competitiveness, vital democracy and personal fulfillment cannot be achieved by being more efficient at turning out a product which is evermore obsolete. As "lockstep" instruction is counterproductive, so also is accountability for lockstep instruction. To succeed, all must be willing to do things differently.

Also, accountability means little if students are unprepared to learn. In this connection, educators are in a "no win" situation. Teachers cannot be responsible for learning among students who are hungry, sick, working long hours at a job after school, or physically and psychologically abused. And yet, teachers must make up for such deficiencies when nobody else will.

A third precondition of accountability is autonomy. Professional authority is prerequisite to professional accountability. We cannot be accountable for professional results unless we are treated as professionals capable of and charged with making professional decisions. When those accountable are not key players in making decisions, the result is counterproductive.

Also, accountability is a quality, not a product. Like justice, it's difficult to achieve. Professionals cannot guarantee what they do, because every profession is both an art and a science. Teaching is an art as well as a science; it is the inspired application of knowledge to affect growth. "Cause-and-effect" relationships are rare. A person's education is an accumulation of a lifetime of thoughts, feelings and actions—often unplanned and intangible. As an end in itself, accountability is meaningless; it is significant only when it affects the process which it evaluates.

Multiple choice and other standardized tests have limited value in assessing higher-order skills and complex tasks. New measures for assessment and evaluation are needed to measure thinking, feeling, doing, and their interaction. These must assess higher-order learning and teaching, as well as basic skills. Both the quantitative and the qualitative can be measured, but only by differing, mutually exclusive criteria.

Student evaluation must be more personalized as learning is customized. The best evaluation measures each learner's performance against one's personal growth rather than "the average." Student evaluation should reflect ability rather than chronological age. Feedback must be timely and sensitive to self-esteem. Otherwise, the chance to benefit will be reduced to punishment. Responsibility and accountability must not be confused. The effect of class size on quality must be considered.

Effectiveness depends on effective principals and teachers. Decisions about effectiveness and evaluation must occur at the level closest to implementation. Students and parent must be responsible as well as teachers and administrators. Evaluation should include follow-up studies with students after they have entered the work force. Building-level goals should be clear and simple, since multiple missions cloud outcomes and impede achievement.

Parents and others—from business and the community—are needed in schools to improve understanding. New methods of assessment are needed to measure learning in unusual situations. Many students attend three or four schools in a year; others learn in correctional facilities, hospitals and juvenile homes. Additional support and recognition is needed for teachers in demanding environments.

Recurring Themes

We are ready to be accountable for the progress of students, but accountability must be real. It must do more than filter out bad news and manufacture good news. It must do more than reassure the public or thump deficiencies from a bully pulpit. Real accountability affects the lives of students. It requires new mechanisms which measure new achievements by individuals and which support change.

Recommendations on Accountability

These principles can develop a new system of accountability in schools and other settings:

Student evaluation is based on individual growth. It provides continuous reporting after decisions are made by professionals responsible for a student's learning. These are developed for all students and implemented in lieu of mass instruction. Parents, teachers, and students participate in this process, and each has the right of appeal.

Accountability is local; parents, school board, community, students and the teaching profession are accountable to one another.

Evaluation recognizes that the most resistant problems of mass education are caused by the system itself rather than the people within it.

Recommendations by evaluators, rather than mandates, are provided as feedback in a timely manner.

Evaluation and accountability relate to educational reform. They take responsibility for changing the structure of education. They deal with the evaluation of programs and decision-making processes as well as with individuals or teams or professionals. They account for inputs, processes and outputs, since education depends on all three. They reflect qualitative as well as quantitative factors.

Evaluation is fair and limited to areas of performance which are under the teacher's, student's, or principal's actual control.

Beginning at the Beginning

Age is often the least important fact about children, yet schools depend on chronological age. Ample evidence exists that learning is enhanced when individuals learn at their own rate, yet education is a lockstep from preschool to PhD. Learning is greatly improved for disadvantaged children through a quality preschool opportunity; yet programs that work, like Head Start, are inadequately financed by government. Many studies point to a large savings in social costs for adults if the health, family, nutritional and educational needs of small children and their mothers are provided; yet spending for remediation and correction has priority over prevention. We must invest more in our children earlier if we expect more from them in return.

While restructuring and retooling needs to occur and be financed at all levels of education simultaneously, an immediate return can be realized by transforming education at the beginning. "Beginning," means early and late childhood from birth to what is presently grade six. "Early" and "late childhood" are used to emphasize that these differ from traditional grade-based, age-based instruction.

A new structure for "beginning education" will meet the needs of children as individuals. It will bring parents into the educational process and provide them with parenting skills if needed. It will match our hours to those of the parent. It will allow business to support education by freeing employees for volunteer work in schools or providing them with time during the work day for working with teachers. It will allow teachers to communicate more fully with parents.

It will provide flextime for school employees. It will build professional teams around the whole child in order to meet every child's needs in health, nutrition, family support, and education. It will apply technology so as to track and minister to the needs of each child through personalized learning. It will transform each classroom into a clinical setting. It will link teachers to children in many new instructional ways. Early Childhood Centers will transform elementary schools from mass production based on lockstep to learning environments which cater to the growth of individuals.

In these centers, children will be educated differently. Students will learn at their own rate. As they move through the educational system, additional levels can be transformed. In thirteen years, the entire structure will be made over. But this "makeover" must be financed. Transforming elementary schools alone will require a substantial permanent increase in school aid.

Proposals for Early Childhood Education

Reform can be made effective and permanent if the structure of elementary education is transformed as follows:

The elementary school is a new professional setting which deals with the needs of the whole child from birth through ability levels now associated with grade three. These "Early Childhood Centers" are based on needs. While not all children will require help from birth, help is available as necessary.

The work of reforming beginning education requires all-day kindergarten. This must be available every day, all day, in every district, for every child who is ready for it.

Each school district conducts an assessment to determine how it is meeting the needs of children.

Instruction eliminates grade levels and Carnegie units. Instead, it is based on personalized learning which accounts for each child's unique talents, interests and learning style.

Early Childhood Centers are staffed with professionals from education, health, and social work who work together as a team on behalf of individual students and their families; but authority and responsibility rests with the teacher who develops and monitors a student's learning.

Parents are involved in the work of these centers in empowered roles. They receive help to increase their ability to support their children's learning.

Government eliminates conflicting jurisdictions and permits Early Childhood Centers to operate free from competing bureaucracies. Unnecessary rules are eliminated, and new state support structures are enacted.

New technology is financed, developed, and tested in Early Childhood Centers to support personalized learning.

Teachers have professional development which prepares them for educating the whole child as an individual in a nongraded setting.

Resources are reallocated from existing intervention and correction programs as savings are realized.

Reallocation across and within sectors of education occurs as interconnections are identified.

Grades four through six are transformed to nongraded "Late Childhood Centers" as children move on from Early Childhood Centers. This allows gradual rather than sudden reform.

Licensure for teachers reflects student developmental states rather than grade levels. Four categories should be created: Early Childhood; Late Childhood; Early Adolescence; and Late Adolescence and Adult. These should overlap, since the transition between them is gradual.

Licensure is based on what teachers need to know and be able to do, rather than completion of courses.

The creation of Early Childhood Centers creates a new professional setting which blends the work of nurses, social workers and teachers. Licensure authority is located in a single agency to permit flexibility, promote effectiveness and prevent bureaucratic entanglements.

Licensed paraprofessionals in schools are well trained and well paid to perform their important tasks.

Elements in Common

This report has dealt with Time; Authority and Responsibility; Evaluation and Accountability; and Early Childhood Centers. These are interrelated. Only by integrating change among these areas can schools be transformed permanently. Single or unconnected reforms will be absorbed.

The next phase of educational reform is comprehensive school transformation. It will be characterized by:

Many items interacting simultaneously within each proposed reform.

Focus on the school building as the unit of productivity from which advances are measured.

Increasing responsibility; autonomy and accountability at the building level.

Decreasing "standardized" regulation with greater leadership from departments, bureaus, and programs at the state level.

Local ("bottom up") and state ("top down") efforts which support each other.

Emphasis on higher-order learning and multiple measures of achievement.

Emphasis on meeting the needs of constituencies at the building level.

Support for a multiplicity of diverse outcomes for students and buildings.

Emphasis on personalized learning for every child, including the "average" child.

Increasing utilization of decentralized electronic technology, using software, as an additional teaching tool which is available to the teacher.

Increasing productivity and a shift in labor-intensive costs from rote to higher-order professional tasks as a result of technology.

Instruction which is increasingly self-regulated and nongraded.

Involvement with the whole child by teams of educators, social workers and nurses.

Emergence of the school building as a clearinghouse for personalized health, social, community and educational services for students across bureaucratic and professional lines.

Increased flexibility in licensure with simultaneously higher standards.

Modest—but assured and continuous—state financing for pilot programs which demonstrate reforms.

Higher salaries to attract and retain persons with professional knowledge and preparation.

Maintaining present reform programs with increasing focus on reforms which interact to produce restructuring.

Building on the trust and consensus produced by the Iowa Educational Excellence Act (Phrase III).

Allocating instructional and categorical local, state and federal funds directly to individual school buildings for allocation by teams of professionals.

More simplicity at the state and federal levels; more complexity and diversity at the building level.

Opportunity for educators to play many diverse professional roles in buildings and increased professionalism and autonomy among educators.

Agreement that consensus is the basic decision-making mode in school buildings, school districts, and state-level educational planning.

Gradual change resulting from self-motivated, voluntary actions.

Greater emphasis on the role of the building principal.

Greater emphasis on the formative role of principals and less emphasis on the summative role, which is shifted to central administrators.

Fusion of research and practice by teachers and teachers educators.

Developing a new class of licensed paraprofessionals who may perform limited teaching responsibilities under the supervision of a licensed professional.

Greater support, interaction and respect between schools and higher education.

Developing school boards as policymakers rather than micromanagers.

Developing transformational leaders in administration at the building level.

Visible, public adjustments by teacher associations toward professionalism.

Responsibility for maintaining momentum for reform shifting from politicians to parents and educators.

Emergence of a new professional setting from teaching, nursing and social work, beginning at the Early Childhood level.

Self-directed, experiential professional development for teachers studying together in small groups.

Teachers and teachers' associations taking responsibility for the development and maintenance of professional culture.

Greater communication among all stakeholders in education at all levels.

STATE LEVEL PRIORITIES FOR SCHOOL TRANSFORMATION

Our priorities for school buildings are (1) Decentralized Technology; (2) Personalized Instruction; and (3) Decentralized Decision Making, which includes both shared decision making and accountability. Each requires retraining for teachers and new funds to support innovation. Taken together, they provide the leverage needed to change schools permanently.

While they operate within school buildings, they require state support. The state must prioritize around those reforms which most transform school buildings. This will accelerate change, transform school structure, improve quality, and keep waste to a minimum.

State government should concentrate on actions which contribute the most to change. In this way, scarce resources can be directed efficiently and waste can be minimized. Waste will be greatest where reforms are "one-shot," unconsidered, occur in isolation, are "shotgunned," imposed from above, or motivated by politics. Concentrating on three elements—Personalized Instructions; Decentralized Technology; and Decentralized Decision Making (and the new training they require)—will produce systemic change at the lowest cost.

Technology

Many agree that new technology, available to teachers as a tool, can transform teaching from mass to personalized learning. But few agree on how this tool shall be shaped and delivered to teachers. Those with an interest in hardware oversell technology, emphasize great projects over the small, and begin empire-building. Hardware affecting large numbers of students is purchased without research from pilot programs. Expansive systems are purchased without evidence that they're better than existing methods.

Some technology reinforces mass instruction just as we are trying to create personalized instruction. Distance learning," for example, is given priority over microteaching; "add on" programs are created rather than new programs. Sometimes, systems are justified on instructional grounds, but used for administrative purposes or are unrelated to schools in any way. At other times, technology is promoted as a way to avoid school reorganization.

Technology can reinforce "passive learning," increasing the drop out rate. It can improve efficiency at the expense of quality. It can be based on the latest fad. These detract from more productive approaches and can lead to expensive systems which are unused.

Our greatest need is for technology which increases the number and quality of tools available to us as we teach individual students. Such tools involve microteaching, professional diagnostics with data basing, and individualization of instruction. From a teacher's perspective, the best technology is decentralized. It is a tool, not a communications medium or an instructional method; and it should be implemented gradually, not suddenly.

Recurring Themes

New statewide electronic systems must be based on pilot studies and research before they are used on students. These should support personalized learning. The politics of technology should not be permitted to control decisions about the use of technology. If politics controls, innovation will be impeded. An unplanned project—even when effective—alienates the teachers whom it's intended to assist. Ineffective projects delay the promise of technology for years. Any delay sacrifices the next generation of students to the doctrine of "technology for its own sake." Technology must be deployed by users who have the power to make informed choices.

Recommendations About Technology

These principles support technology which transforms schools:

Program and funding priority is given to technological projects which relieve teachers so that we may provide higher-order learning, personalized learning, and remedial intervention to students.

Technological projects include "real time" interactive electronic classroom-based systems which provide rote instruction and drill; monitor student progress on instruction and drill; analyze student progress; compare such progress to other students in progressively larger educational units; provide a pedagogical database for intervention strategies, including lesson plans; and provide a professional database for retrieving research in a form which is usable in the instructional setting.

State projects in technology are evaluated on the basis of their contribution to the above goal to establish priority.

New technologies build on old technologies.

Simple technologies take precedence over complex ones.

Decentralized technologies take precedence over centralized ones.

Every teacher has a telephone and a computer.

An "end-point users' advisory committee," of teachers and principals only, sets priorities, locates technological needs and advises the Legislature. This committee should parallel the "Narrowcast Advisory Committee," but report to the State Board of Education.

Statewide innovations aren't implemented widely until pilot programs have been evaluated in controlled research programs.

Follow-up research is conducted to evaluate programs.

Extensive training, together with time to develop instructional applications, must be available to realize the promise of technology. These require financial support.

Participation in pilot programs is voluntary for teachers and students, and no person is part of a controlled experiment without prior consent.

Personalized Instruction

The national reports agree: Education must be transformed from mass production to personalized instruction. Only by educating every child to the fullest can we hope to compete internationally, achieve equity, support democracy, or gain fulfillment. Only by transforming schools can individuals be educated fully. The reports are right; we need to transform schools to produce quality in quantity.

These goals are not new. They are the same goals which have guided American education for over a century. But they have not been realized. They remain unrealized because our society placed higher priority on equity than on quality, and then failed to finance even equity. Even so, Iowa's schools delivered equity. Opportunity of access has been realized, even though it came at the expense of quality and the needs of individuals. But excellence for everyone is a new goal which has yet to be attempted. To meet this goal, we must educate students in a new way.

The goal—"excellence for every child"—is difficult to achieve. For one thing, when teachers teach individuals, the structure of schools neutralizes and absorbs the innovation. Obsolete systems create the defects which make quality impossible.

Teaching individually means developing new teams of professionals to diagnose, intervene and evaluate students on personalized learning. It means developing new ways to teach higher-order skills and to evaluate them; using technology to provide repetitive instruction, evaluation, diagnosis of learning disorders, and intervention through personalized learning; the time to develop new techniques; professional training to learn and share knowledge; dealing with the whole child; and learning at the student's own pace without respect to grade level. Most of all, it means doing what has never been done before. Developing personalized instruction means reinventing schools and transforming teaching into a true and fully recognized profession.

Among the innovations needed for tomorrow's schools, teaching individually is the greatest unknown. There is little research about it, and most of this is not usable in the classroom. A pedagogy for individual instruction does not exist. Technology will play an important part, but the content of that technology has yet to be developed. Professional development will be important, but the nature of retraining remains unknown. The new mandate for personalized instruction is the greatest leap of faith since our national commitment to equality of educational opportunity. The teaching profession is ready to accept this challenge and make good on it, just as it did for educational opportunity. But as we did for that mandate, we begin today without knowing how. As with equity, we will have to create solutions as we go along.

Recommendations for Personalized Instruction

Personalized instruction will be enhanced by the following:

Every student has personalized instruction planned around the student's unique abilities, learning style, past achievements, temperament, goals and readiness. Teachers have time to develop effective personalized learning programs for students.

Progress for each student is by electronic record which links student progress, the personalized learning plan, the recommendations of the student's professional support team, the results of rote and higher order learning exercises compared with other students at different scales of reference; diagnosis of learning disorders; interventions; and reference to case studies and research.

A database of personalized learning plans, methods, theories, microteaching, software, and lesson plans is available electronically to every teacher.

Professional development and licensure (including Phase III) center on Personalized Instruction, Applied Technology, and Decentralized Decision Making as new areas to be supported and evaluated.

Teachers have sabbaticals and short-courses in Personalized Instruction, Applied

Technology, Software Development, and Decentralized Decision Making.

Extensive training together with time to develop techniques for personalized instruction must be made available if the promise of such instruction is to be realized. This will require financial support.

Research is integrated with teaching; professors and teachers work together to understand personalized instruction, applied technology, and collegial decisionmaking.

Research and development is a major cost item for Iowa's Department of Education; researchers compete to meet specifications developed by the Department.

Decentralizing Decision-Making

When we issued our last report to you in 1983, we knew that decentralization was important; but we did not know much about it. It was a new commitment, another leap into the unknown. We made the commitment because decentralization was central to transforming schools. Since then, much has been learned. Some of this new knowledge relates to school buildings, mentioned in a previous section of this report, "Accountability and Responsibility." Here we consider state-level implications.

Few innovative projects have been undertaken. Some are the result of Phase III. Others—like the Mastery in Learning Project at the Paul Norton School in Bettendorf and the Learning Laboratory Initiative in Marshalltown—are the result of collaborative work among the Iowa State Education Association, the National Education Association, and school districts.

We now know that reform must be integrated throughout a school district and each school building. Change is most likely in districts which have enough stability to tolerate change. A facilitator from outside of the district is an essential ingredient.

Districts are capable of transforming themselves, but new money is necessary. Trust is the prerequisite of collegiality and change. Nothing can be done without the support of administrators and school boards. Teachers need training in group dynamics, collegial decision making and parental involvement.

Teachers' greatest need is professional information about the school buildings in which they work. The involvement of parents is essential. Each building has unique problems. There is more than one solution for a problem, and each solution is unique. Solutions often do not transfer from one building to another, although support and enthusiasm are contagious.

Teachers are willing to accept responsibility for making professional decisions in school buildings Building-level decisionmaking is time consuming and requires constant diligence. Voluntary change and participation works well and is the only approach that produces self-regulating change over the long term.

Change is a function of new dollars available for change. Retooling schools is as expensive as retooling any business. We know how to link school transformation to evaluation, group pay for group work, site-based decision-making, and Phase III.

Teachers and their representatives are ready to support school transformation. Business groups—like the Business Roundtable and the Iowa Futures Project—support schools and change. Legislators and the Governor support educational reform and link future financial support to change

Decentralized decision making is a proven strategy for transforming schools comprehensively and permanently. But few districts have begun the process of comprehensive change. In part, this is because change requires financing. No state funds have been available to support pilot projects in comprehensive school transformation. Change could be advanced if there were pilot programs for schools willing to change

Recommendations About Decentralized Decision Making

Here are state-level initiatives which support decentralization:

The state should finance pilot projects in comprehensive school transformation. Each project should be for multiple years. Projects should include small, midsize and large districts. They should support multiple and varied approaches to change on a collaborative, voluntary, and collegial basis.

Responsibility for research and development for pilot projects in comprehensive school transformation should be located in Iowa's Department of Education. A major permanent allocation for this purpose should be provided. Application to provide services must be competitive and based on written specifications.

School aid directs instruction and instruction-related resources to school buildings, to be allocated by local building teams.

Any extra days of working time for teachers should be allocated to school buildings as a "professional bank" to support in-service and professional activities.

Programs in parental involvement are encouraged for all buildings

A voluntary, higher order of accreditation for school buildings is created by Iowa's Department of Education or the North Central Association. Schools meeting the higher-order requirements are excused from the rule-driven standards of traditional state accreditation. Higher-level standards include criteria on collegial decision-making, building-based resource allocation, personalized learning, technology, and building-based professional development for teachers and principals.

Extensive training together with time to develop shared decision making must be made available if the promise of autonomy is to be realized. These will require financial support.

To implement the team concept and make the school a viable clinical setting for dealing with the needs of the whole child, every school building must have a full-time principal, a full-time counselor, and a full-time media specialist; a school psychologist; a school social worker; and a full licensed school nurse. Necessary paraprofessional and secretarial assistance must also be available.

A new class of licensed paraprofessional—requiring two years of college—performs limited teaching duties under the direction of a teacher so that teachers have time for governance and the development of personalized learning for every child.

The right of teachers to effectively perform the professional tasks for which we are exclusively licensed is honored and maintained. These rights are made explicit in the laws or rules of our state and in local school board policies.

Each district has a decisionmaking process which decides among different instructional packages based on different levels of financial support. These are created by joint action of school boards and educators in each school building.

Professional licensure supports comprehensive school change by requiring educators and their preparation programs to show evidence of ability to deal with collegial decisionmaking, applied technology and personalized instruction.

Decentralization is supported by state appropriations earmarked directly to school buildings.

State mandates and rules are reduced, since decentralization cannot be achieved through centralized state planning.

State policy makers support innovation and change with assured and adequate appropriations.

Teachers' salaries reach the national average so that Iowa can compete for talent needed in the complex schools of the future.

A mentor program for beginners is provided by the Iowa Board of Educational Examiners. The state must finance released time for beginning teachers and their mentors before implementing the program.

THE FEDERAL CONNECTION

Education is controlled locally in America, and no one wants it any other way. No one favors federal control over education, particularly in the absence of federal financial support. But the federal government has an important role. It can call public attention to problems, as it has been doing since 1982. It can provide financial assistance to categorical programs, as it does for special education and Head Start. It can support innovation and school transformation, though it has not yet done so.

A federal role is needed in innovation and change. School transformation requires additional financing, and this controls the rate of change and innovation in schools. Also, no state has been able to finance comprehensive school change. While many states have made major financial commitments for change, all—including Iowa—have found it necessary to withdraw that support for financial reasons.

The federal government has another role: It attaches conditions to federal funding. These can distort and control state programs. Often, they involve hidden costs which accrue at state and local expense. This can be expensive, convoluted, inefficient, and counterproductive. Special education, for example, is afflicted by micromanagement, rules and excessive federal regulation. Government must interact effectively at all levels if schools are to realize their new mandate. The federal government must do its part.

Recommendations for Federal Action

The following outlines a meaningful, change-oriented federal role in education:

The federal government creates one federally financed project to demonstrate comprehensive school change in each Congressional District. Projects are selected on a competitive basis by committees established by state departments of education for this purpose. Grants are substantial and tied to applied technology, decentralized decision-making, and personalized instruction.

The federal government deregulates its educational programs.

Federal funds for instructional programs are allotted to school buildings.

The federal government withholds federal funds from professional schools which lack national accreditation. Student loans should not be available to students enrolled in unaccredited professional programs.

The federal government coordinates its agencies to support children of all ages in health, education and welfare.

The federal government aims its research programs in education at applied technology, decentralized decision making, and personalized learning.

THE SCHOOL OF THE FUTURE

Iowa's schools still exist to prepare students for employment, citizenship, and per-

sonal fulfillment. These were once realized through seat-based instruction. But changes in technology, values, students, and the economy have made old methods inadequate. Our old approach permits defects and casualties. In our new world, human resources are so valuable that, to be competitive and effective, we must educate every child to the fullest.

America needs schools where all children succeed. Such a school provides personalized learning, educates rather than trains, and applies the best that is known about teaching in theory and practice. It creates an environment conducive to learning and is a safe place where the mind may grow. It is collegial rather than corporate and is a place where teachers and administrators shape the learning environment through shared decisionmaking. It is based on the school building. And it has enough money, technology, and people to provide excellence to everyone.

The teaching profession is ready to create the schools of tomorrow from the schools of today. But we need to be authorized to innovate within the major systems which control learning at the building level. Such systems include compensation, evaluation, decision making, professional development, and student programs—the very items authorized by Phase III. But while Phase III has fostered many innovations, it has not transformed schools. To transform schools, innovations must interact. Our challenge is to transform schools from corporate to collegial environments through innovations which interact to create the schools of the future. A few carefully chosen interventions can transform schools pervasively and permanently.

In transformed schools, technology will provide every student with a personalized learning program. Technology will free teachers from rote tasks and paperwork. Software will be developed and shared for instructional, professional, and reference purposes. Students will create instructional programs for themselves and others. Systems which integrate student responses and achievement will be available to a team of educators which regularly reviews and proscribes learning strategies for each child. Emphasis will be on higher-order learning.

Each student will be involved in interaction and discussion rather than lecture and presentation. There will be few, if any, intrusions into the learning process. Bells will disappear; students will learn at their own rate and be evaluated against each individual's own growth. Students will progress from one level to another as they are ready. Students will learn in all three areas of human endeavor—thinking, feeling, and doing—and become active participants in their own learning.

Decisions about students will be made in school buildings. Only those licensed to do so will be permitted to make decisions about a student's progress or achievement. Decisions about the allocation of resources will be made by professionals in each learning center. Teaching will be a respected and autonomous profession, equal to any other. Students who choose to learn will be the norm and be respected for it by their peers. Compensation will be based, in part, on the achievement of building level goals. Teachers and administrators will work together collegially at the building level and have the support of others.

All the above relate to applied technology, personalized learning, and decentralized decision making. Implemented piecemeal, no change will occur, because the present structure absorbs single innovations. But implemented together, they will change schools comprehensively and permanently. Innovation in three key areas can produce "excellence for everyone."

These systemic changes depend on assured, sufficient financing, popular support, and cooperation among all levels of government. Without such support, schools may change eventually in response to massive social change. But for each year's delay, a year's worth of children will be sacrificed to a system which is already obsolete. In a time of great change, no nation can afford such a sacrifice and remain economically or politically viable.

The rate of change is controlled by money. New money is necessary for retooling, research, program design, professional development, technology, individualization of instruction and decentralized decision-making. If new money cannot be found, schools cannot change fast enough to impact the economic, social and personal decline now overtaking our nation. Large sums are necessary, over and above scheduled increases. All levels of government—working with business, agribusiness and educations—must come together.

It is not enough to have high expectations. We must also have high standards which are enforced. But given Iowa's head start on educational reform, both high standards and high expectations can be achieved with your help. With your help, schools can realize our nation's new goal of "excellence for everyone."

PROPOSED CONSOLIDATION OF CERTAIN CIA ACTIVITIES

Mr. WARNER. Mr. President, I rise to speak briefly in support of the proposed consolidation of several Central Intelligence Agency activities at two new sites, one in my State and one in West Virginia.

There has been considerable debate, in the press and elsewhere, about this proposal. Unfortunately, not all of the discussion has been well-informed.

In order to promote public understanding of the rationale for this project, I would like to place in the record three factual documents.

Two of these documents help to detail the CIA's extensive, thorough site selection process and the Agency's compelling need for these new sites.

The third document conveys the enthusiasm of some of my constituents—the Government and the people of Prince William County, VA—who would benefit from this proposed relocation.

First, the first document is a letter sent to me by Mr. Richard J. Kerr, Acting CIA Director, in my role as ranking Republican on the Senate Armed Services Committee. This letter also was delivered to chairmen and ranking members of other key committees in the House and Senate.

In this letter, Mr. Kerr makes the following important points:

That congressional approval of the CIA's proposed relocation plan is needed now;

That the dual-site approach—that is, Prince William County, VA, and Jefferson County, WV—makes sense;

That the proposal reflects appropriate contributions from expert real estate and site-selection consultants;

And that, contrary to the criticisms of some, the Agency has carefully considered the interests and welfare of its own employees in advancing this proposal.

Second, the second document I am offering for the record is a memorandum, dated August 21, 1991, and written by Mr. Robert T. Kleinpaste, head of Legg-Mason Realty Group, Inc.

Legg-Mason was the consultant hired by the CIA to aid in selecting sites for the proposed relocation.

The Legg-Mason memo—which is not an official document, but which reflects Legg-Mason's experience with this project—makes clear that the CIA's search for suitable sites has been carried out over an extended period of time. Legg-Mason has participated in the process as a consultant for a year—they were hired in October 1990.

During that time, the CIA's plans, and thus its criteria for suitable sites, have evolved. That is normal for a relocation plan as complex as this.

Mr. Kleinpaste's memo sheds light on how the process evolved from a search for one site to a search for two sites, and why the Prince William County and Jefferson County sites emerged at the top of the list.

Third, Mr. President, I am well aware that the CIA's relocation proposal would have a potential economic impact on three congressional districts. Not surprisingly, competitive pressures are at play here. I would also note that my respected colleague in the House, Congressman D. FRENCH SLAUGHTER, has been unable, because of illness, to be involved personally in all aspects of this proposal.

Therefore, I would like to place in the record a letter dated August 22, 1991, to Congressman DAVE MCCURDY, chairman of the House Intelligence Committee, from the Prince William County, VA, board of supervisors. Much of Prince William County lies in Congressman SLAUGHTER's district, the Seventh.

This letter discusses the many ways in which Prince William County meets the CIA's criteria as a site for relocation. The letter also makes very clear that Prince William County strongly supports the proposed move.

In summary, Mr. President, the CIA has proceeded in this case in a careful, thorough and responsible manner, on a matter of considerable importance to the Agency and its employees.

I believe this proposal is beneficial to my State. Equally important, it will allow the CIA to better fulfill its mission.

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

CENTRAL INTELLIGENCE AGENCY,
Washington, DC, October 31, 1991.

Hon. JOHN W. WARNER,
Ranking Minority Member, Committee on Armed Services, U.S. Senate, Washington, DC.

DEAR SENATOR WARNER: With conference action on the Intelligence Authorization and Defense Appropriations bills at hand, I want to reemphasize the Agency's urgent need to consolidate its employees at two additional locations.

The Agency has been trying for more than 10 years to consolidate a workforce that currently is housed in 21 leased facilities in the Washington metropolitan area. These facilities are expensive, and many have serious security vulnerabilities and structural deficiencies that make them unsuitable for prolonged Agency use. The proposed consolidation would enhance the productivity and security of our workforce, improve the Agency's operational efficiency, and be cost effective in the long run.

We spent more than two years developing the specific facilities consolidation plan that was presented to the Intelligence and Appropriations Committees on July 5, 1991. I want to emphasize that while we certainly should have done a better job of keeping the Committees informed as this planning process progressed, it was always our intention to present a proposal for full congressional consideration. No action has been taken that would undermine or pre-empt the Congress' role in determining the fate of this proposal. As with any initiative requiring appropriated funds, the decision on how to proceed remains in the hands of Congress. For the reason detailed below I urge you to support our proposal.

ACTION IS NEEDED NOW

Now is the time to deal with the Agency's space requirements. A recovery in the real estate market and construction industry would make consolidation more difficult and costly. Delay also would increase the need for more short-term, costly solutions to our space problems, such as leasing additional buildings and upgrading existing leased facilities.

The cost estimate that we have provided for this project—$1.2 billion—includes inflation-adjusted costs for operations and maintenance, security, and communications, in addition to land acquisition, project design, and construction. Most cost estimates do not include all of these factors. The estimated cost for land acquisition, project design, and construction is approximately $700 million, including projected inflation.

Our proposal assumes that CIA will have a smaller workforce in the coming years, but the problems that underlie our proposal will persist and worsen if action to alleviate them is not begun now. If we receive approval to begin the project in FY 1992, we estimate that by the year 2010 the amount we would save in costs associated with continuing to lease, renovate, and supplement rented buildings would cover the full cost of construction and outfitting the proposed new government-owned facilities.

THE DUAL SITE APPROACH MAKES SENSE

Two distinct groups of Agency employees need to be consolidated. One group—composed of some of our scientific, technical, and administrative personnel—requires traditional office space, interacts with Headquarters regularly, and travels frequently. The Prince William County Virginia site is most suitable for that group. The other group interacts less frequently with Headquarters and is engaged in special purpose, light industrial, and related activities. The size and relatively low cost of the Jefferson County West Virginia site make it well suited for this group. It should be noted, in this connection, that West Virginia has figured in our thinking about consolidation locations for a number of years.

Consolidating activities currently scattered at 21 leased buildings onto two new compounds would greatly enhance the Agency's operational effectiveness. Components with units in multiple workplaces could be brought together, and time consuming interbuilding travel by personnel who must interact with one another daily would be eliminated.

We will, of course, continue to house on the Headquarters compound Agency elements responsible for collecting and analyzing information and making it available to the Executive branch and Congress. These personnel must interact daily among themselves, with other elements of the Intelligence Community, and with policymakers.

THE PROPOSAL REFLECTS APPROPRIATE INPUT FROM EXPERT CONSULTANTS

We have been assisted by two consultants, Legg Mason Realty Group, Inc., and Dewberry & Davis. We carefully considered their input, melding it with our own analysis of security, communications, and operational considerations. The role of consultants is, of course, advisory, and the decision on the shape of our proposal was made by Agency management. With respect to the decision to locate some Agency elements in West Virginia, our real estate consultant, Legg Mason, has stated that "it makes perfect sense to locate operations needing large amounts of warehouse, maintenance, and research and development space that do not require day-to-day physical contact with Langley, on a lower priced parcel of land in an outlying area."

AGENCY EMPLOYEES HAVE BEEN CONSIDERED

It is important to remember that we are discussing the possibility of new compounds that will not begin being occupied until the late 1990s. There will be no immediate disruptive impact on Agency employees. Indeed, by the time this project is nearing completion upwards of 50 percent of the current Agency workforce will have left our employ. Many of the individuals who ultimately would work at the new compounds are not yet associated with the Agency. Current employees who would be affected by the consolidation would have ample notice and time to consider their individual situations. If employees have special needs precluding them from working at either of the proposed sites, we would attempt to identify suitable positions for them elsewhere in the Agency. Agency employees have for over 40 years served in difficult and dangerous circumstances all around the world. We do not believe that the prospect of a workplace in an outlying area will be overly daunting to them.

Forgotten in some of the discussion of this proposal is the fact that, from the very beginning, Agency management was influenced by its concern that many of our employees have difficulty in affording to live close to the current Headquarters compound, and are increasingly burdened by long daily commutes. Insofar as it made sense from a mission perspective, it was hoped that in addition to cost savings a more remote location could help our employees, most of whom already live in the Northern Virginia triangle bounded by Leesburg, Manassas, and Falls Church. Positive aspects of the consolidation with respect to opportunities it would create for more affordable housing and/or less time-consuming reverse commutes should not be overlooked.

I urge the Committee to support the Agency's consolidation proposal. If funding is provided, we will scrupulously follow congressional requirements in implementing the plan, ensuring that Congress, OMB, and the General Services Administration are consulted throughout the process. Please let me know if I can provide the Committee any additional information.

This letter is also being provided to Chairman Nunn, the Chairman and Vice Chairman of the Senate Select Committee on Intelligence, and the Chairmen and Ranking Minority Members of the Senate Appropriations Defense Subcommittee, the House Permanent Select Committee on Intelligence, the House Appropriations Defense Subcommittee, and the House Armed Services Committee.

Sincerely,

RICHARD J. KERR,
Acting Director of Central Intelligence.

LEGG MASON REALTY GROUP, INC.,
Baltimore, MD

MEMORANDUM

From: Mr. Robert T. Kleinpaste, President, Legg Mason Realty Group, Inc.

Date: August 21, 1991.

Subject: The agency's consolidation process.

It has come to our attention, through various press reports and the transcript of the House of Representatives' Select Committee On Intelligence, that a great deal of misunderstanding and suspicion concerning your selection of the properties for future Agency consolidation. We feel that the current criticism of the site selection process stems from a basic misunderstanding of the process itself and the constantly evolving criteria which we used in evaluating potential sites, not all of which are contained in our reports. I decided that I would put in writing what I believe to be the process employed and the events; based upon our time records, meeting notes memoranda and reports. In addition, I will give you my interpretations of events, instructions and meetings.

SITE EVALUATION PROCESS SUMMARY

Representatives from Legg Mason Realty Group, Inc. (LMRG) first met with Agency representatives in January, 1989. At that time we were contracted to perform a preliminary search for a site that could potentially accommodate a consolidated Agency facility. One of the purposes of this consolidation was to phase-out the need to continue to lease scattered facilities in the Washington Metropolitan Area and, over the long term, save money. For this effort LMRG and Agency officials developed a set of site criteria and requirements in order to identify and rank properties that were to be considered for a consolidated facility. At that time, you were considering developing 1.9 million square feet on one site. Along with the size preference of 500 acres or more, we targeted sites that were in agricultural areas that could potentially handle the facility but whose cost would be below $50,000 per acre. In addition we reported on the viability of locating a consolidated facility on existing federally owned property at several sites in the Northern Virginia area.

The result of this analysis was a listing of properties, primarily farms, that were large enough to accommodate the proposed facility. Unfortunately, many of the proposed sites were located in areas not currently served by utilities.

In October of 1990, we met with you again to discuss your progress in securing approval for the project. At that time, the selection criteria had been refined to include sites between 250 and 500 acres and allowed for the consideration of planned business parks (whose land prices were substantially higher than the agricultural sites but were closer to existing utilities). However, it was still the intention of the Agency to consolidate on one site. Because of this, we were still using the drive-time distance to Langley as a major criterion.

During several of our progress meetings in December 1990, you began to express some concern over the land cost estimates we had developed on many of the top ten sites and suggested that alternatives may need to be considered.

In our Site Search and Facility Consolidation Analysis dated January 29, 1991, LMRG evaluated the top 65 candidate sites and developed a list of the top ten. These sites were then evaluated by the Agency for operations, telecommunications and security considerations. We were never provided any specific information on these matters; these factors were always dealt with by the Agency, and it was our assumption that you factored these considerations into our data and conclusions.

We also addressed in this study two sites located in Jefferson County, West Virginia and one in the Tyson's Corner area that had been brought to the Agency's attention prior to our being contracted in October of 1990. However, since we were still working under the assumption that the entire facility would be placed on one site, the requirement for day-to-day physical contact with Langley precipitated our cautionary comments concerning locating the entire facility in Jefferson County, West Virginia.

In the meantime, the Agency requested that Dewberry & Davis perform an engineering/environmental analysis of the top sites targeted by LMRG along with the lower cost alternative brought to the attention of the Agency in Jefferson County, West Virginia. This analysis was completed by Dewberry & Davis January 11, 1991.

During the rest of January 1991, we discussed different facility configurations and costs and agreed that, due to the substantial land cost savings and the possibility of better sites than the ones previously identified, additional sites in Jefferson County, West Virginia should be studied.

Based upon these discussions, LMRG and Dewberry & Davis evaluated 19 potential sites within Jefferson County, West Virginia that could potentially accommodate the proposed facility. As a result of that analysis, we identified two sites south of Charles Town which would be suitable if West Virginia were to be the location for the facility. The preferred site was the property which adjoins to the south. However, upon further study we determined that this site was not for sale and the site was chosen as the best West Virginia alternative.

In March 1991, the Agency requested that LMRG and Dewberry & Davis perform a detailed engineering and land use site analysis on the top candidate sites including the Jefferson County, West Virginia alternative. The conclusions of that analysis are contained in the Facility Consolidated Analysis Phase 2 Report, dated April 29, 1991.

Up until this point, LMRG and Dewberry & Davis had no knowledge that the Agency was considering splitting the proposed facilities and our reports were based upon the assumption that all new facilities would be placed on one site.

During the month of April 1991, Agency officials advised us that they had been considering splitting the proposed facility. Their expressed intent was to locate Agency Departments and functions that did not require day-to-day physical interaction with Langley on land that could be acquired at a much lower land cost and allow the purchase of a larger property to allow for future expansion.

As I told you previously, if the Agency had told us to identify sites for facilities such as warehouses and printing plants, we would not have eliminated West Virginia sites in our January 29, 1991 report and would have developed a somewhat different set of selection criteria than those we developed for the single consolidated facility.

This major change in the requirements and criteria for choosing a site would drastically temper our stated concerns on the Jefferson County, West Virginia site selection. In fact, it makes perfect sense to locate operations needing large amounts of warehouse, maintenance, and research and development space that do not require day-to-day physical contact with Langley, on a lower priced parcel of land in an outlaying area. This will not only allow the Agency to purchase land at lower costs, it will also allow Agency personnel, if they choose, to locate in an area with a lower cost of living than Northern Virginia. However, due to the site's location, it will also allow those existing employees living in Northern Virginia and West Virginia to commute to work in 75 minutes or less (depending on their location in the area) and stay in their current residences.

RECENT PRESS STATEMENTS

Recent articles in the press concerning our site selection analysis are often inaccurate concerning the analysis and recommendations provided in our reports to you and we feel that clarification is necessary.

In our report dated January 29, 1991, we were unaware of any construction schedule and were assuming that the entire facility would be built on one site. We suggested that moving the entire proposed facility to Jefferson County, West Virginia might overburden existing transportation networks and may result in the loss of some existing employees. However, we must point out that any consolidation and movement of offices might result in the loss of employees. Furthermore, we made no suggestion that a move to West Virginia would hurt the Agency's mission.

The operative statements here suggest that we felt that if West Virginia was going to be considered further, it would require more detailed analysis and that the Agency should be made aware of these considerations. We suggested that the Agency should make its determination with these considerations in mind. However, since we were not privy to operational, communications and specific facility requirements, we were not in a position to make the final site selection. Our role in the entire site analysis and selection process is to provide detailed information and advice on real estate matters only. The press and others are failing to understand that we are your consultant, not the decision-makers. In fact, even though we had limited operational input, one of our final recommendations was that operational considerations should drive your ultimate decision.

It is apparent to us from recent announcements and press coverage that no one seems to understand that this process has evolved over the past two years from a very preliminary estimate of need to a more detailed plan. As the process evolved, several of the selection criteria changed and the order of importance has shifted several times. Any suggestion that a rigid, non-responsive set of criteria should have been used throughout the process indicates a lack of understanding of how facilities planning and site selection is performed. As operational and facilities priorities change, the selection criteria must be flexible in order to test all possibilities. Therefore, recent criticism of the current plan, using information and advice LMRG provided seven months ago on a project that has evolved during that time and ignoring advice provided since then, is unwarranted.

It has also been suggested recently that the Agency should start over, possibly using GSA resources, in performing the site search. If recent examples of GSA's process is any indicator, it will be many years before the Agency will be able to start a new facility. Their process in choosing a developer on the Fort Belvoir Engineering Proving Grounds and the Internal Revenue Service headquarters, begun almost two years ago, has cost potential bidders several hundred thousand dollars and was recently halted completely. The GSA is starting the process over again and it will be several more years before any buildings could be completed. In fact, many of the best and largest development firms that submitted proposals on that project have vowed that they will think twice about ever bidding again on a GSA development proposal. If this GSA process was to begin all over again, the cost savings attributable to leases expiring over the next three to four years would be lost and development and construction costs will increase.

It has also been suggested that the Agency should begin the site selection process over again and allow for competitive proposals. It is my strongly held belief that you have already conducted one of the most thorough and effective site selection competitions ever undertaken. Rather than entertain proposals on sites that were clearly inappropriate, you applied competitive selection criteria and solicited proposals from owners of sites which would accept facilities of the type being planned. In order to insure that all possible sites were considered, you accepted submissions from the public. We have reviewed each of those submissions with you and found none to be acceptable based upon our criteria.

What I find most offensive and inaccurate in the recent press coverage is the implication that we made recommendations regarding West Virginia which you then completely ignored. This is just not the case, and ignores the significant amount of work by all of us and your staff (including operations personnel), between the January study (which recommended against West Virginia) and the list of final sites which included one in West Virginia.

I am also very disturbed by the implication that the Agency has been less than prudent in this process. I have told you previously how impressed I am with the diligence, care and ethics which you and your staff have brought to this site selection process. You should be commended for this work not vilified.

I hope that your professional approach to the construction of these much-needed facilities continues to be applied to this very complex and politically difficult process.

COUNTY OF PRINCE WILLIAM,
Prince William, VA, August 22, 1991.

Hon. DAVID MCCURDY,
U.S. House of Representatives, Washington, DC.

DEAR CONGRESSMAN MCCURDY: On behalf of the Prince William Board of County Super-

visors, I want to reiterate our support for the proposed consolidation of Central Intelligence Agency facilities in Prince William County. We will do our part to ensure that the Prince William County site remains the low cost location for this facility.

Recent newspaper articles and discussion by the House Select Committee on Intelligence have criticized the proposed Central Intelligence Agency consolidation plans. Most of these discussions have focused on the Jefferson County, West Virginia site and have not fully addressed the merits of the Prince William County, Virginia site.

The Prince William Board of County Supervisors strongly supports the relocation of all or a portion of the CIA facilities to Prince William County, Virginia. The Prince William County site meets or exceeds all of the selection criteria established by the Central Intelligence Agency:

Minimum 75 minute drive to CIA headquarters. The Prince William County site is less than 45 minutes from CIA headquarters in Langley, Virginia.

Parcel size 250 to 1,000 acres. The Prince William County site is approximately 530 acres. This site could accommodate the entire consolidation.

No topographical or environmental constraints. The elevation and surrounding topography of the Prince William County site are compatible with the security and microwave site line requirements of the Central Intelligence Agency. In addition, the Prince William County site has very deep bedrock, making it less costly to build upon. The Prince William Board of County Supervisors has thoroughly reviewed the environmental impact of an office park development on this site and concluded several years ago that it was an appropriate site for an office park such as the one planned by the Central Intelligence Agency.

Adequate utilities. The Prince William County site has adequate water, sewer, electricity, and gas utilities on site or immediately adjacent. A new storm sewer system will be completed in the spring of 1992.

Transportation access. The Prince William County site is located at the intersection of Interstate 66 and U.S. Route 29. Both of these roads provide easy access to the entire Interstate network and the Capital Beltway. The site also is served by U.S. Route 15, U.S. Route 55, and VA. Route 28. None of the other candidate sites have this transportation advantage.

The Prince William County site is less than 50 minutes from Washington National Airport and approximately 20 minutes from Washington Dulles International Airport. In addition, the Prince William County site will be served by High Occupancy Vehicle lanes on Interstate 66 by the middle of this decade. Construction of these lanes are already underway in Fairfax County. The Prince William County site is within a 10 minute drive of two future commuter rail stations which will begin service to Washington, D.C. in April of 1992. Finally, the Prince William County site is within a 15 minute drive of the Manassas Airport, a general aviation facility with a new control tower.

The Prince William County site has withstood the scrutiny of a professional real estate consultant and the Central Intelligence Agency. It is conveniently located for existing and future CIA employees and will retain jobs in Northern Virginia. The quality of life in Prince William County will offer many intangible benefits to current and future employees of the CIA, including a plentiful supply of affordable housing.

We urge you to take advantage of the current real estate market and proceed with this site for some or all of the Central Intelligence Agency relocation in Prince William County, Virginia. This site will be a benefit to the Agency, the Commonwealth of Virginia, the United States, and the American taxpayer. Please let us know if we can assist you in this matter or if we can answer any questions.

Sincerely,

TERRENCE SPELLANE,
Chairman.

DAN HANSON—BARTLETT AWARD

Mr. SYMMS. Mr. President, I rise today to congratulate my friend Dan Hanson for being selected as the 1991 recipient of the George S. Bartlett Award. This award was presented during American Association of State Highway and Transportation Officials [AASHTO] annual meeting on October 14, 1991, in Milwaukee, WI.

This is one of the most prestigious awards that anyone can get who has worked in transportation.

Established in 1931, the Bartlett Award is conferred annually upon an individual who has made an outstanding contribution during their career to the development of our Nation's highway transportation system.

There is no person more deserving of this award than Dan. I had the privilege of working with him during the reauthorization of the highway programs in 1982 and 1987, and his knowledge and insight were consistently sought during the legislative process.

Mr. President, as last years recipient of the Bartlett Award, I welcome Dan into the ranks of individuals who have been honored with this award, and ask that an article on his distinguished career be printed in the RECORD.

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

AWARDS PROGRAM OF THE OPENING GENERAL SESSION—AASHTO 91 WISCONSIN

(77th Annual Meeting, Milwaukee, WI, October 14, 1991)

THE GEORGE S. BARTLETT AWARD

(Established in 1931, the George S. Bartlett Award is conferred annually upon some individual who has made an outstanding contribution to highway progress. The award recipient is selected by a three-member Board of Award made up of the Presidents of the American Association of State Highway and Transportation Officials, the American Road and Transportation Builders and the Transportation Research Board of the National Research Council.)

Daniel J. Hanson, Sr, retired this year after 23 years of service with the American Road and Transportation Builders Association (ARTBA). Hanson joined ARTBA in 1968 as its deputy executive vice president and became the association's chief executive officer in 1973. He served his last two years as ARTBA president emeritus.

As ARTBA's president, Hanson was one of the transportation construction industry's leading advocates and was a frequent expert witness before congressional committees. During the 1970s he helped organize the American Transportation Advisory Council (ATAC), an ARTBA-sponsored Washington, D.C. based coalition of 80 organizations and firms concerned with the future of transportation in the United States. In 1982, Hanson helped acquire industry support for a proposal to increase the federal motor fuels user fee by five-cents-per-gallon. His effort garnered him the honor of being the first private-sector recipient of the CIT Corporation's "Rebuilding America Award".

As president emeritus, Hanson concentrated on legislative activities and coordination of ATAC events. He was also the ARTBA representative to the "Transportation 2020" Advisory Committee on Highway Policy.

He is a past chairman of the Washington, D.C. "Road Gang." and currently serves as vice chairman of the Advisory Committee on Traffic Safety. A registered professional engineer, Hanson plans to continue his work in the transportation field as a legislative consultant.

BATTLE OF POINT PLEASANT—A CLAIM FOR UNHERALDED PATRIOTS

Mr. BYRD. Mr. President, I ask my colleagues to join me today in remembering those whom many believe to be the first military veterans in our Nation's history. I am speaking of the militiamen of the Battle of Point Pleasant, a battle waged in my home State of West Virginia—at that time, Virginia—and officially recognized in 1908 by the 60th Congress as the First Battle of the Revolutionary War.

On October 10, 1774—6 months before the "shots heard 'round the world" were fired at Lexington and Concord—800 rugged colonial militiamen, under the command of Col. Andrew Lewis, met and defeated 1,000 Shawnee Indians commanded by Chief Cornstalk at the confluence of the Ohio and Great Kanawha Rivers. If the Shawnees had claimed victory, an alliance with the British may have developed and weakened the position of the colonists. However, the colonists' defeat of the Shawnees demonstrated their military potential and strengthened their stance of independence from official British colonial policy.

The battle and the subsequent peace treaty with the Indians brought relative peace to the Ohio frontier for several years and opened the way for further westward movement by American settlers into the Midwest. But most importantly, it freed the American patriots from having to fear a rearguard Indian attack on the Virginia frontier as the rebellious colonies struggled for their liberty against the King's soldiers during the Revolutionary War.

At the Battle of Point Pleasant, our forefathers took a bold and courageous step toward securing freedom and asserting their independence. The service of these militiamen was a true pledge of allegiance to liberty and self-government and I take pride in honoring the forgotten men who helped shape the destiny of our Nation.

I ask unanimous consent that the list of names of those who fell in battle and were buried at "the Point" on October 11, 1774, be printed in the RECORD.

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

NAMES FOR TEMPORARY GRAVE MARKERS

1. Charles Lewis, Colonel, Army of Virginia, American Revolution, March 11, 1736–October 10, 1774.
2. John Field, Sr., Colonel, Army of Virginia, American Revolution, 1720–October 10, 1774.
3. Thomas Buford, Captain, Army of Virginia, American Revolution, 1736–October 17, 1774.
4. Robert McClanahan, Captain, Army of Virginia, American Revolution, c. 1748–50–October 10, 1774.
5. John Murray, Captain, Army of Virginia, American Revolution, ——— –October 10, 1774.
6. James Ward, Captain, Army of Virginia, American Revolution, c. 1729–October 10, 1774.
7. Samuel Wilson, Captain, Army of Virginia, American Revolution, 1730–October 10, 1774.
8. Hugh Allen, Lieutenant, Army of Virginia, American Revolution, c. 1745–October 10, 1774.
9. Matthew Bracken, Lieutenant, Army of Virginia, American Revolution, ——— –October 10, 1774.
10. Edward Goldman, Lieutenant, Army of Virginia, American Revolution, ——— –October 17, 1774.
11. Jonathan Cundiff, Ensign, Army of Virginia, American Revolution, ——— –October 10, 1774.
12. George Cameron, Private, Army of Virginia, American Revolution, ——— –October 10, 1774.
13. Richard Trotter, Sergeant, Army of Virginia, American Revolution, c. 1738–October 10, 1774.
14. Samuel Croley, Private, Army of Virginia, American Revolution, ——— –October 10, 1774.
15. John Dinwiddie, Private, Army of Virginia, American Revolution, ——— –October 10, 1774.
16. Joseph Hughey, Private, Army of Virginia, American Revolution, ——— –October 10, 1774.
17. Thomas McClung, Private, Army of Virginia, American Revolution, c. 1728–October 10, 1774.
18. James Mooney, Private, Army of Virginia, American Revolution, ——— –October 10, 1774.
19. Hugh O'Gullion, Private, Army of Virginia, American Revolution, ——— –October 10, 1774.
20. William Stephen, Private, Army of Virginia, American Revolution, c. 1760–October 10, 1774.
21. Isaac Van Bibber, Private, Army of Virginia, American Revolution, p. 1725–October 10, 1774.
22. David White, Private, Army of Virginia, American Revolution, ——— –October 10, 1774.
23. Marck Williams, Private, Army of Virginia, American Revolution, ——— –October 10, 1774.
24. David Kincaid, Private, Army of Virginia, American Revolution, ——— –October 10, 1774.
25. John Frogg, Jr., Captain/Sutler, Army of Virginia, American Revolution, May 26, 1745–October 10, 1774.
26. Twenty-one whose names are unknown, Privates, Army of Virginia, American Revolution, ——— –October 10, 1774.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,421st day that Terry Anderson has been held captive in Lebanon.

NATIONAL HOME CARE WEEK

Mr. HATCH. Mr. President, I am very pleased that we are considering "National Home Care Week." This resolution recognizes the organizations and professionals throughout our country who provide the extremely vital health service of home health care to millions of Americans. I wish to thank my colleague, Representative LEON PANETTA of California, for his sponsorship of this resolution in the House of Representatives.

It is fitting that we highlight home health care during the week following Thanksgiving. This holiday is a time that brings families together to share their joys, their hopes, and their traditions. Home health care keeps families together by allowing a loved one to receive needed care in the familiar surroundings of his or her own home. This Thanksgiving, thousands of home care recipients will be able to spend this holiday in the midst of their families. Millions of elderly citizens will continue to live their lives with dignity and a sense of independence thanks to assistance provided by home care providers. Institutionalization for many ailments is no longer necessary given today's effective home health care services.

As we face the issues of providing long-term care to seniors, chronically ill children, and disabled citizens in America, I fervently hope that home care will become an integral component of any program. Home care provides cost-effective treatment of injuries and illnesses that, left untreated, often lead to more costly acute care and long-term institutionalization. Given our continuing battle with rising health care costs and the fact that we must rein in these costs if we hope to provide our Nation with appropriate health care, we must work to identify and develop these cost-effective means of health care delivery.

Home care is much more than preventive medicine. It is the most humane form of health care. It is also the type of care preferred by a vast majority of seniors. According to a national poll conducted by Louis Harris and Associates, fully 78 percent of those polled said they preferred to receive care in their homes instead of in a nursing home. Often nothing is more nourishing than to be in familiar surroundings while receiving vital attention.

There are countless families who could benefit from home care services. For example, one Utah family has a child with multiple health problems. After 3 months of the child's hospitalization, the escalating costs became unbearable. The family decided to bring the child home despite the need for constant care and monitoring. A home care nurse came to the home and sympathetically guided the parents through the process of taking care of a technology-dependent child. She provided counseling, skilled nursing assessment, monitoring, and teaching and helped with necessary support services. Due to her ability and friendship, the care of this child became less of a struggle. The child's presence at home with her parents and siblings was a joy.

This joint resolution honors the numerous health professionals, like the home health care nurse in Utah, who provide compassionate and expert care for elderly and disabled individuals. The individuals and organizations who make such a worthwhile contribution to society deserve to be honored. Moreover, I hope that by commemorating National Home Care Week, we may bring increased attention to this valuable service and the potential it holds for meeting the long-term care needs of our Nation.

RETIREMENT OF DR. HARRY M. LIGHTSEY, JR.

Mr. THURMOND. Mr. President, South Carolina is fortunate to number many fine educators among its citizens, and I am fortunate to have known many of them personally. Undoubtedly, one of these outstanding individuals is my good friend Dr. Harry M. Lightsey, Jr., the president of the College of Charleston.

Dr. Lightsey, who has served our State's higher education system for many years, recently announced that he will leave his post as president to return to the classroom. Although the College of Charleston will sorely miss his administrative ability, his formidable knowledge and experience will be a rich resource for his students.

Mr. President, Harry Lightsey is a man of character, courage and compassion, and I wish him well as he continues his service to the next generation of South Carolina leaders. I ask that an editorial from the State and an article from the Charleston News & Courier be printed in the RECORD immediately following my remarks.

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

[From the State, Oct. 26, 1991]

"A TOUGH ACT TO FOLLOW"

Harry M. Lightsey, Jr.'s remarkable career will take yet another turn June 30 when he leaves the presidency of the College of Charleston to teach in the philosophy de-

partment there. It will be a loss to the college's administration but a boon to the students who will have the chance to learn from him.

Dr. Lightsey's homespun manner belies his outstanding academic and administrative talents. A native Columbian, he earned summa cum laude honors in veterinary medicine at the University of Georgia and law at the University of South Carolina.

As a practicing attorney here, his expertise in the complicated field of utility rate law was legend. He also served stints as chairman of the state Democratic Party, the S.C. Human Affairs Commission and the Governor's Energy Management Policy Commission. He joined the USC law school faculty in the early 1970s and became dean in 1980. In 1986 he accepted the interim presidency of the College of Charleston. School trustees quickly recognized his abilities and named him president a few months later.

During Dr. Lightsey's tenure at the College of Charleston, said Higher Education Commissioner Fred Sheheen, academic standards, faculty salaries and student SAT scores all have gone up. Although Dr. Lightsey is only 59, he said he wanted to step down now to allow a new president to tackle such key issues as fund-raising, implementation of a more complete graduate program and the thorny issue of getting legislative approval for university status.

Dr. Lightsey's successor surely will benefit from his counsel as the college moves forward. As trustee Gordon Stine observed, "Harry will be a tough act to follow."

[From the Charleston Post and Courier, Oct. 17, 1991]

LIGHTSEY TO RESIGN JUNE 30

(By Lori D. Roberts)

College of Charleston President Harry M. Lightsey, Jr. said Wednesday he will resign his post June 30, an announcement that surprised and shocked trustees and higher education officials.

Lightsey, 59, will remain as a faculty member in the philosophy department through December 1993.

Lightsey, one of three finalists to succeed former USC president James Holderman, made the announcement in a closed session of the college's Board of Trustees meeting. As the meeting was in session, a memorandum circulated to the school's staff and faculty.

"I have decided that the time has come for me to begin thinking of retirement," Lightsey said in the memo. "In making this decision, I have tried to place the college's best interest first and to allow time for an orderly search and selection of a new person to lead the college to its future."

Lightsey also suggested in his memo that he is "stepping aside" to allow a new president to take on some key issues the college soon will need to address. Among those issues an enrollment campaign to address the needs of students and faculty; a boost in private giving and a capital funds campaign, and the implementation of a more complete graduate program.

"Clearly, the presidency requires a person with an extended outlook to address these midterm needs," Lightsey said in the memo.

"Harry Lightsey will be missed greatly when his retirement takes place," said board of trustees chairman Joe Berry, also a closed friend of Lightsey's. "We're just thankful that we've had him for the last five or six years.

"He is doing what he thinks is best for the College of Charleston and himself. He feels it needs a president who will be there for a while to take care of these situations rather than come right in the middle of them.

"He has no specific plans, other than retirement," Berry said. "If he does, I'm not aware of them and I think I would be."

Lightsey, who practiced law in Columbia from 1961 to 1973, could not be reached Wednesday night for further comment. He will hold a news conference at the school at 1 p.m. today.

In January 1986, Lightsey took a six-month leave of absence from his position as dean of the University of South Carolina law school to be interim president of the college. After a little more than three months, he resigned from the deanship he had held for nearly six years, choosing instead to serve another year as interim president.

In March 1987 he was inaugurated as the school's 18th president.

"I think that all the people that I know in higher education and in South Carolina would agree that he has been an exceptionally good president of the College of Charleston," said Fred Sheheen, commissioner of the State Commission on Higher Education. "The standards have gone up tremendously, the faculty salaries have been substantially enhanced, the academic program has been a centerpiece and the quality of students has gone up—entering freshman SAT scores rank among the highest.

"I think it's been a very strong presidency, I really do," Sheheen added.

Dr. Gordan B. Stine said the board had a reception meeting Tuesday night with faculty members, and that "there was no indication last night" Lightsey planned to resign.

"We all were very surprised and shocked, and none of us suspected it. None of us expected him to leave," said Stine, a member of the board's executive committee and chairman of the academic affairs committee.

Lightsey's track record extends beyond the educational arena.

He was state Democratic Party chairman from 1970 to 1972, when he became a full professor of law at the University of South Carolina. He also has written and co-written at least two law-related publications and has served on a host of educational, political and legal committees and associations.

Lightsey's decision to remain on the school's faculty for more than a year leaving the presidency isn't uncommon, Sheheen said.

"Presidents not infrequently decide to lay aside their administrative responsibilities and continue in the classroom," he said. "That's a very common way for presidents to wind up their careers."

The search for a new president won't be easy, trustees and officials said.

"I think, personally, Harry will be a tough act to follow," Stine said. "Anybody who's done an excellent job is tough to follow. There's just no other word other than 'excellent.'"

SUPPORTING ROBERT GATES' NOMINATION TO DIRECTOR OF CENTRAL INTELLIGENCE

Mr. THURMOND. Mr. President, as the Full Senate prepares to consider the nomination of Robert Gates to the post of Director of Central Intelligence, it is important for us to keep in mind that we are entering a new era in intelligence gathering. The world we live in today is full of questions, and we need a person at the helm of the Central Intelligence Agency who can provide the answers we need.

Mr. Gates' qualifications to head the CIA and the American intelligence community are well established. He has spent his entire adult life in government service, working to protect the interests of our Nation, first as a member of the CIA and then as deputy to National Security Adviser Brent Scowcroft.

Mr. President, I request that a copy of an editorial from the Charleston, SC News and Courier supporting Mr. Gates' nomination be printed in the RECORD following my remarks.

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

[From the Charleston News and Courier, Oct. 8, 1991]

GATES: STILL THE RIGHT MAN FOR CIA

During a press conference last Friday morning in Washington, President Bush reaffirmed his support for the embattled candidacy of Robert Gates to be director of central intelligence. The president, himself a former CIA director, knows why Mr. Gates is the right man for the job.

Mr. Bush's vote of confidence in Gates came hours after Intelligence Committee Chairman David Boren took the unusual step of defending Mr. Gates before members of his own committee. He praised the candidate's candor and reminded his colleagues that Mr. Gates had gone out on a limb to keep the committee up to date during the Iran-Contra scandal, when the late CIA Director William Casey wanted the lawmakers excluded from the loop.

Sen. Boren's dramatic testimony came after the decision last week of one panel member—South Carolina's Sen. Ernest F. Hollings—to announce he would vote against Mr. Gates because, the AP reported, he was the CIA's deputy director during the controversial Casey era. "Your experience is what disqualifies you," Sen. Hollings reportedly told Mr. Gates. "Yes, you did too good a job for Bill Casey. You're not the right man at this particular time."

The question that troubles Sen. Hollings and others is: Did Mr. Gates require CIA analysts, either directly or inferentially, to put a political spin on estimates of Soviet activities during the 1980's? Some CIA employees have testified that he did; other analysts have flatly disagreed.

Ever since the legendary Walter Bedell Smith set up the CIA's analysis operation in the 1950s to produce a single set of intelligence estimates for use by U.S. policymakers, agencies and offices throughout the government have jockeyed to have their views reflected in the analyses. For example, the Pentagon obviously would want to emphasize the Soviet military threat, while the State Department may wish to see a different interpretation.

The system guaranteed that politics and personalities would affect the way in which date were analyzed. What analyst eager to keep his or her job would knowingly advance a view that contradicted a forceful leader like Bill Casey? Or Stansfield Turner before him? In this hothouse atmosphere, analysts automatically tailored their opinions to reflect their bosses' views. No one had to tell them to do it. The system guaranteed it.

Mr. Gates early on has quietly pushed the merits of plurality and competitive thinking

in the intelligence community. Rather than submit one set of estimates to policy-makers, be argued, a number of conflicting analyses should be presented to give planners as many substantive options as possible.

Bureaucracies—and the intelligence community certainly is that—resist innovation and tend to savage advocates of change. Mr. Gates certainly has seen his share of slings and arrows, but he has acquitted himself admirably. He has the intelligence, the poise, and the integrity necessary to overhaul the badly demoralized U.S. intelligence community. He is the right man for the job. Let him get on with it.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nomination:

Calendar 342. Michael H. Moskow, to be a Deputy U.S. Trade Representative;

That the Committee on Government Affairs be discharged of the following nomination: Jill E. Kent, to be Chief Financial Office, Department of State; and

That the nominees be considered and confirmed en bloc, that any statements appear in the RECORD, as if read, that the motions to reconsider be laid upon the table, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

EXECUTIVE OFFICE OF THE PRESIDENT

Michael H. Moskow, of Illinois, to be a Deputy U.S. Trade Representative, with the rank of Ambassador.

DEPARTMENT OF STATE

Jill E. Kent, to be Chief Financial Officer, Department of State.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:40 a.m., a message from the House of Representatives announced that the House disagrees to the amendment of the Senate to the amendment of the House to the amendment of the Senate numbered 175 to the bill (H.R. 2686) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1992, and for other purposes.

At 12:25 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolutions, in which it requests the concurrence of the Senate:

H.J. Res. 140. Joint resolution designating November 19, 1991, as "National Philanthropy Day";

H.J. Res. 177. Joint resolution to designate November 16, 1991, as "Dutch-American Heritage Day"; and

H.J. Res. 280. Joint resolution to designate the week beginning November 10, 1991, as "Hire a Veteran Week."

At 3:19 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 3489. An act to reauthorize the Export Administration Act of 1979, and for other purposes; and

H.J. Res. 175. Joint resolution to designate the weeks beginning December 1, 1991, and November 29, 1992, as "National Home Care Week."

The message also announced that the bill of the Senate (S. 320) entitled the "Omnibus Export Amendments of 1991", in the opinion of the House, contravenes the first clause of the seventh section of the first article of the Constitution of the United States and is an infringement of the privileges of the House and that such bill is respectfully returned to the Senate.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker has signed the following enrolled bills and joint resolutions:

H.R. 1046. An act to amend title 38, United States Code, to increase, effective as of December 1, 1991, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans;

H.R. 2686. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1992, and for other purposes;

H.J. Res. 281. Joint resolution approving the extension of nondiscriminatory treatment with respect to the products of the Mongolian People's Republic; and

H.J. Res. 282. Joint resolution approving the extension of nondiscriminatory treatment with respect to the products of the People's Republic of Bulgaria.

The enrolled bills and joint resolutions were subsequently signed by the President pro tempore [Mr. BYRD].

MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 3489. An act to reauthorize the Export Administration Act of 1979, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2088. A communication from the Director of the United States Information Agency, transmitting, a draft of proposed legislation to transfer the au pair program from the United States Information Agency to the Department of Justice; to the Committee on Foreign Relations.

EC-2089. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report providing information concerning Calendar Authorization Act, Fiscal Years 1988 and 1989, P.L. 100-204, Section 701(b)(2)(F); to the Committtee on Foreign Relations.

EC-2090. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, a report on the Baltic States related to the Treaty on Conventional Armed Forces in Europe (CFE Treaty) agreed in the Joint Consultative Group in Vienna on October 18, 1991, by the twenty-two signatories of the CFE Treaty; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE, from the Select Committee on Indian Affairs, with amendments:

S. 1287. A bill to amend the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) (Rept. No. 102-199).

By Mr. PELL, from the Committee on Foreign Relations, with an amendment:

S. Res. 198. A resolution amending Senate Resolution 62 of the One Hundred Second Congress to authorize the Committee on Foreign Relations to exercise certain investigatory powers in connection with its inquiry into the release of the United States hostages in Iran (Rept. No. 102-200).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. AKAKA (for himself and Mr. INOUYE):

S. 1903. A bill to require the Secretary of Agriculture to take such action as may be necessary to prevent the inadvertent introduction of brown tree snakes into other areas of the United States from Guam, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. KASTEN:

S. 1904. A bill to amend title XI of the Higher Education Act of 1965 to provide as-

sistance to institutions of higher education to enable such institutions to support programs that are designed to address urban campus and community crime issues; to the Committee on Labor and Human Resources.

By Mr. DECONCINI:

S. 1905. A bill to amend the Internal Revenue Code of 1986 to reduce certain aviation related excise taxes; to the Committee on Finance.

By Mr. PELL (by request):

S. 1906. A bill to authorize the sale to the Republic of Korea of obsolete ammunition from War Reserve Stocks; to the Committee on Foreign Relations.

By Mr. LAUTENBERG:

S. 1907. A bill to establish national centers for plastics recycling research and development and to establish a national clearinghouse on plastics recycling; to the Committee on Environment and Public Works.

By Mr. LAUTENBERG:

S. 1908. A bill to require a study on the potential for increased recycling of automobile components in the United States and the steps needed to increase such spending; to the Committee on Environment and Public Works.

By Mr. MOYNIHAN:

S. 1909. A bill to liberalize the social security retirement earnings test for individuals who have attained normal retirement age, and to modify the taxation of social security benefits; to the Committee on Finance.

By Mr. LEAHY:

S. 1910. A bill to permit the Secretary of Agriculture to use funds of the Commodity Credit Corporation during the initial 90-day period of each of fiscal years 1992 through 1995 to purchase, process, and distribute additional commodities under the emergency food assistance program and certain hunger prevention programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 1911. A bill to amend the Internal Revenue Code of 1986 to require foreign insurance companies to use same year tax return data in calculating minimum effectively connected net investment income, to provide for a carryover account, and to allow an election to use an individualized company yield; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. GORE (for himself and Mr. PELL):

S. Res. 213. A resolution expressing the sense of the Senate regarding United States policy toward Yugoslavia; to the Committee on Foreign Relations.

By Mr. DOLE:

S. Res. 214. A resolution to correct the engrossment of S.1745; ordered held at the desk.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KASTEN (for himself and Mr. KOHL):

S. 1904. A bill to amend title XI of the Higher Education Act of 1965 to provide assistance to institutions of higher education to enable such institutions to support programs that are designed to address urban campus and community crime issues; to the Committee on Labor and Human Resources.

CAMPUS-COMMUNITY CRIME INTERVENTION PROGRAM

• Mr. KASTEN. Mr. President, I am introducing legislation today that will establish a program of Federal support for urban institutions of higher education as they grapple with crime on their campuses and in the surrounding communities.

Unfortunately, violent crime in America's cities has touched the lives of too many Americans. It is no coincidence that as economic conditions have deteriorated in recent years—in cities from Boston to Los Angeles to Washington, DC—crime rates have escalated to critical proportions.

Last year, in Washington, DC, we in the Congress were reminded daily of the number of violent crimes occurring within the city's boundaries. The city's residents watched in horror as the city's annual murder rate reached a new all time high. The media renamed the city the "Murder Capital of the United States."

In my home State of Wisconsin, the homicide rate in the city of Milwaukee increased 42 percent between 1989 and 1990.

The upsurge in violent crime in America's cities has had a serious impact on the Nation's universities, particularly those in the inner cities. In the past, these schools prided themselves on their ability to offer incoming students access to the many socially and culturally rich experiences of a metropolitan environment.

Today, those benefits are overshadowed by the dark specter of criminal activity on and near campus. Increasingly, America's college students are afraid to explore the intellectual and cultural wealth of our cities, because the risk to their personal safety simply has become too great.

According to the recently published findings of a 1990 survey conducted by Towson State University, one-third of all university students in the United States will be the victim of a crime at sometime during their university experience. In addition, according to USA Today's most recent poll, the best predictor of crime is the size of the town: The most prone to violence is a school with less than 10,000 students in a city of more than 500,000 people; the safest is a school with 10,000 to 20,000 students in a city of under 100,000.

In my home State, Marquette University in Milwaukee has experienced five tragic reminders of the increasing economic deterioration and criminal activity in America's urban communities. In the past 6 years, five Marquette students were killed in criminal incidents.

While none of those killings occurred on the Marquette campus, they all occurred in the community surrounding the campus, where many Marquette students live in rental housing.

The latest, the January 14 murder of Mario Gonzalez, a 22-year-old senior in Marquette's engineering school occurred outside an off-campus Marquette fraternity house. Mario was just months away from earning the first college diploma in his family of immigrants from Mexico City. He was shot to death by a 15-year-old boy who apparently wanted the portable stereo given to him for Christmas.

Marquette and most other American universities have recognized that information alone will not solve this growing problem. Marquette has realized that in order for the Nation's urban universities to survive to perform their educational functions, they must enter into partnership with their neighborhoods and communities. These partnerships will halt the economic deterioration of those communities and reduce the incidence of criminal activity on and near their campuses. They must address the root causes of crime, not simply report on its occurrence. Marquette has stepped forward with a partnership plan to do just this.

Marquette's University/Neighborhood Partnership Program, a campus security and community development demonstration program, represents a creative, productive approach to this important problem. It utilizes Marquette's significant academic, human, and financial resources to address not only the symptoms but also the root causes of urban crime: poverty, illiteracy, unemployment, drug and alcohol abuse, and skyrocketing school dropout and teenage pregnancy rates.

I am confident that the Marquette Plan will have a dramatic and positive affect not only on Marquette's campus and in its community, but also as a demonstration of the role that institutions of higher education can and must play as partners in their communities. It will have important applications on urban campuses and communities across the Nation.

The legislation will provide support for the Marquette Plan, as well as similar programs at a number of other institutions. To achieve this end, the bill requires the Secretary of Education to provide annual grants of $4 million to each institution meeting the terms and conditions of the application for a period of 5 years. This level of funding, combined with a significant commitment of resources from both the community and the university, will be enough to make a difference.

Mr. President, I ask unanimous consent that a copy of the text of the bill be printed in the RECORD.

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

S. 1904

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

SECTION 1. REVISION OF TITLE XI.

Title XI of the Higher Education Act of 1965 (20 U.S.C. 1136 et seq.) is amended—

(1) by redesignating part C as part D;

(2) by redesignating sections 1121, 1122 and 1123 as sections 1131, 1132 and 1133, respectively; and

(3) by adding after part B the following new part:

"PART C—CAMPUS-COMMUNITY CRIME INTERVENTION PROGRAM

"SEC. 1121. FINDINGS AND PURPOSE.

"(a) FINDINGS.—The Congress finds that—

"(1) crime rates are accelerating rapidly in cities across the United States, and many of those cities experienced unprecedented rates of homicide in 1990;

"(2) urban institutions of higher education suffer disproportionately from the increasing rates of criminal activity on and near their campuses, and have begun to have difficulty guaranteeing the safety of their students, faculty, administrators, and employees;

"(3) the implementation of the Student Right-To-Know and Campus Security Act of 1991 will provide students and parents with valuable information about crime on and near urban campuses, but will not impact the frequency or severity of that activity and will have a disproportionately adverse impact on student recruitment and retention efforts at urban institutions of higher education; and

"(4) if significant progress is to be made in addressing campus and community crime problems on and near United States' urban institutions of higher education and the root causes of those problems such as poverty, unemployment, illiteracy, drug and alcohol abuse, and increasing school dropout and teenage pregnancy rates, then those institutions must play a significant role as partners with local governments, business and industry, and community organizations in achieving such progress.

"(b) PURPOSE.—It is the purpose of this part to provide support enabling institutions of higher education to work in partnership with local governments, business and industry, and community organizations, to devise and implement solutions to severe problems of urban campus and community crime, and the root causes of such problems.

"SEC. 1122. PROGRAM AUTHORIZED.

"(a) IN GENERAL.—The Secretary is authorized to award grants to and enter into cooperative agreements with institutions of higher education to enable such institutions to design and implement programs that address pressing and severe crime problems in urban institutions of higher education and the surrounding community, including the root causes of those problems such as poverty, unemployment, illiteracy, drug and alcohol abuse, and increasing school dropout and teenage pregnancy rates.

"(b) DISTRIBUTION AND NUMBER.—The Secretary shall award grants and enter into cooperative agreements under this part to institutions of higher education in a manner that—

"(1) achieves a regionally equitable distribution of such grants; and

"(2) serves 8 urban institutions of higher education with documented campus and community crime problems.

"(c) DURATION.—Each grant awarded or cooperative agreement entered into under this part shall be awarded for a period of 5 years.

"(d) ANNUAL AMOUNT.—The Secretary shall not make a payment pursuant to a grant or cooperative agreement under this part in any fiscal year which exceeds $4,000,000.

"SEC. 1123. APPLICATION FOR CAMPUS-COMMUNITY CRIME INTERVENTION GRANTS.

"(a) APPLICATION.—

"(1) IN GENERAL.—Each institution of higher education seeking assistance under this part shall submit to the Secretary an application at such time, in such form, and containing or accompanied by such information and assurances as the Secretary may require by regulation.

"(2) CONTENTS.—The application submitted pursuant to paragraph (1) shall—

"(A) describe the activities and services for which assistance is sought, including not only enhanced security and safety awareness measures but also coordinated programs for adult literacy, school dropout prevention, legal and housing aid, family counseling, employment skills training, and economic development and community stabilization;

"(B) describe the manner and extent to which such programs will efficiently utilize the academic, financial, and human resources of the institution;

"(C) include information on the community to be served and its existing needs, the method by which the institution plans to measure the success of such activities and services in addressing such needs, and the institution's plans for reporting such information to the Secretary and disseminating such information to urban institutions of higher education nationwide; and

"(D) document that the institution of higher education has coordinated its program to serve an urban institution of higher education and the surrounding community with the following entities associated with such urban institution:

"(i) A local government.

"(ii) A business or other employer.

"(iii) A community service organization.

"(3) SELECTION PROCEDURES.—The Secretary shall, by regulation, develop a formal procedure for the submission of applications under this part and shall publish in the Federal Register an announcement of such procedure and the availability of funds under this part.

"SEC. 1124. ALLOWABLE ACTIVITIES.

"Funds made available under this part may be used for research on, or planning and implementation of, resource exchanges, technology transfers, technical training, the delivery of services, or technical assistance in the following areas:

"(1) Urban campus and community crime prevention, detection, and intervention.

"(2) Security awareness training for students, faculty, administrators, and other employees on and near urban institutions of higher education, as well as families, children and the elderly who reside in urban communities.

"(3) Educational outreach, including adult literacy and school dropout prevention programs.

"(4) Community services, including legal and housing aid, employment skills training, and drug and alcohol abuse and family counseling.

"(5) Neighborhood development activities, including physical improvements to the urban institution of higher education and the surrounding community, the improvement of area housing stock and the encouragement of long-term, single-family residence in the area, and, in cooperation with area business leaders, the support of economic growth and development to further stabilize the community.

"SEC. 1125. COMMUNITY-CAMPUS CRIME INTERVENTION DEMONSTRATION PROGRAM.

"(a) PROGRAM AUTHORIZED.—

"(1) IN GENERAL.—The Secretary is authorized to award grants to or enter into cooperative agreements with institutions of higher education to enable such institutions to support programs demonstrating to urban institutions of higher education across the Nation the role that such institutions can play as partners in their communities to address pressing and severe crime problems and such problems' root causes such as poverty, unemployment, illiteracy, drug and alcohol abuse, and increasing school dropout and teenage pregnancy rates.

"(2) NUMBER.—The Secretary shall award or enter into 8 grants or contracts in accordance with this section.

"(b) APPLICATION.—

"(1) IN GENERAL.—Each institution of higher education seeking assistance under this section shall submit to the Secretary an application at such time, in such form, and containing or accompanied by such information and assurances as the Secretary may require by regulation.

"(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall contain—

"(A) a description of a well-documented and thoroughly analyzed problem of on- or near-campus crime that is representative of the problems faced by urban institutions of higher education nationally;

"(B) a well-defined plan for developing solutions to such problem that will be replicable by institutions of higher education in cities across the Nation; and

"(C) an established position in the community to be served of cooperation and leadership on the issues of campus and community crime, educational outreach, community service, and neighborhood development.

"(c) AUTHORIZED ACTIVITIES.—Funds under this part may be used for research on, or planning and implementation of, resource exchanges, technology transfers, technical training, the delivery of services, or technical assistance in the following areas:

"(1) Urban campus and community crime prevention, detection, and intervention.

"(2) Security awareness training for students, faculty, administrators, and other employees on and near urban institutions of higher education, as well as families, children and the elderly in urban communities.

"(3) Educational outreach, including adult literacy and school dropout prevention programs.

"(4) Community services, including legal and housing aid, employment skills training, and drug and alcohol abuse and family counseling.

"(5) Neighborhood development activities, including physical improvements to the urban campus and community, the improvement of area housing stock and the encouragement of long-term, single-family residence in the area, and, in cooperation with area business leaders, the support of economic growth and development to further stabilize the community.".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 1132 of the Higher Education Act of 1965 (as redesignated in section 1(2)) is amended—

(1) by striking "There" and inserting "(a) PARTS A AND B.—There"; and

(2) by adding at the end the following new subsection:

"(b) PART C.—There are authorized to be appropriated $32,000,000 for fiscal year 1993

and each of the 4 succeeding fiscal years to carry out part C.".•

By Mr. DECONCINI:

S. 1905. A bill to amend the Internal Revenue Code of 1986 to reduce certain aviation related excise taxes; to the Committee on Finance.

REPEAL IN INCREASE OF AVIATION EXCISE TAXES

• Mr. DECONCINI. Mr. President, last year Congress passed the 1990 Omnibus Reconciliation Act. In this act, the excise tax on airline passengers tickets was increased by 25 percent, from 8 to 10 percent. This tax was ill timed and should be repealed without delay.

We are all aware that tax increases during a recessionary period contribute to stagnation of the economy and delay recovery. This 25-percent increase in the airline ticket tax has proven particularly damaging for the airline industry. Since the beginning of 1991, Eastern Airlines has been liquidated, and Pan Am and Midway have been lost as viable domestic competitors. In addition, several other airlines are experiencing serious financial difficulties. Continental and America West have filed for chapter 11 bankruptcy. In addition, USAir and TWA are experiencing serious financial problems.

The gulf war had a disastrous effect on the airline industry. Because of the threat of war and instability that accompanies those fears, the price of oil spiraled upward. Not only did prices of oil go up, passenger traffic dramatically decreased.

During the second quarter of 1990, the last quarter before the gulf crisis, the airline industry experienced a healthy profit of $560 million. In the third quarter of 1990, the industry got its first sample of the misfortunes of the war; it registered a $210 million loss. However that loss was minor compared to the fourth quarter of 1990 and the first quarter of 1991. In those two quarters respectively, the airline industry lost $3.7 billion and $1.37 billion.

The increase in the world price of oil was especially damaging to the airlines. Increases in airline fuel were greater than the overall oil price rise. In July 1990, before Iraq invaded Kuwait, airline fuel sold at 57.4 cents a gallon. By October and November of last year, airline fuel prices had doubled to $1.14 a gallon, reaching their peak. Airline fuel prices have yet to drop to their prewar levels.

Concomitantly, the volume of airline passengers decreased significantly in the United States once the war began. The fear of terrorism due to the gulf war resulted in massive cutbacks in both business and pleasure travel. The war, coupled with the onset of the recession, have prevented a return to profitability.

The airline industry's economic well-being is particularly sensitive to both wars and economic downturns. As chance would have it, both of these events transpired in the past year. At the same time, we in our wisdom imposed an additional 2 percent tax on the industry.

It is time, Mr. President, to admit our mistake and repeal last year's increase. Our economy cannot break out of its recessionary doldrums if major industries are restrained from economic recovery.

Today I am introducing legislation to repeal last year's increase in the airline passenger ticket tax and I ask unanimous consent that the bill be printed in the RECORD. This is the first of many proposals I intend to offer with an eye toward bringing economic recovery to different segments of our economy.

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

S. 1905

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

SECTION 1. DECREASE IN RATES ON TRANSPORTATION.

(a) IN GENERAL.—Subsections (a) and (b) section 4261 of the Internal Revenue Code of 1986 (relating to imposition of tax) are each amended by striking "10 percent" and inserting "8 percent".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to transportation beginning after December 1, 1991, but not to amounts paid on or before such date.•

By Mr. PELL (by request):

S. 1906. A bill to authorize the sale to the Republic of Korea of obsolete ammunition from War Reserve Stocks; to the Committee on Foreign Relations.

SALE OF CERTAIN OBSOLETE AMMUNITION TO KOREA

• Mr. PELL. Mr. President, by request, I introduce for appropriate reference a bill to authorize the sale to the Republic of Korea of obsolete ammunition from war reserve stocks.

This proposed legislation has been requested by the Department of Defense, and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the general counsel of the Department of Defense to the President of the Senate, which was received on October 15, 1991.

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

S. 1906

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

SECTION 1. AUTHORITY FOR THE SALE TO KOREA OF OBSOLETE AMMUNITION FROM WAR RESERVE STOCKS

Notwithstanding section 514 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h), or any other provision of law, the Secretary of Defense is authorized to sell to the Republic of Korea, at a price negotiated by the Secretary, all or any part of obsolete ammunition intended for use as reserve stocks for Korea and located in a stockpile in the Republic of Korea on the date of the enactment of this Act. The obsolete ammunition shall be sold for not less than its salvage value, minus the costs of salvage.

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, DC, October 7, 1991.

Hon. DAN QUAYLE,
President of the Senate,
Washington, DC.

DEAR MR. PRESIDENT: Enclosed is proposed legislation "To authorize the sale to the Republic of Korea of obsolete ammunition from War Reserve Stocks."

This proposal is part of the Department of Defense legislative program for the 102d Congress. The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the presentation of this proposal for the consideration of the Congress.

PURPOSE OF THE LEGISLATION

The purpose of the legislation is to authorize the sale to the Republic of Korea of certain ammunition in the War Reserve Stock for Allies (WRSA) stockpile located in the Republic of Korea at a price negotiated by the Secretary of Defense.

Since 1972, the United States has maintained a stockpile of WRSA ammunition in the Republic of Korea (ROK). The purpose of the stockpile is to provide a vital supply of ammunition that could be used by the U.S. armed forces in the event of an attack by North Korea. Also, because the stockpile is owned by the United States, it could be made readily available to the ROK forces by international agreement in the event of an urgent need related to the defense of the Republic of Korea. Both the national defense interests of the Republic of Korea and the strategic interests of the United States have been served by the arrangement.

Over the years, the U.S. force structure has changed substantially. Many weapons used by U.S. forces at the time the WRSA stockpile was established have been replaced with weapons incompatible with some of the stockpiled ammunition. The ROK armed forces, however, due to high replacement costs and the adequacy of the weapons for the type of military operations that might be conducted on the Korean peninsula in the event of an attack by North Korea, continue to use weapons that can make use of this ammunition.

Because the ammunition in the WRSA stockpile is obsolete for U.S. forces, the current arrangement is no longer in the United States interest. Although U.S. interests are served by the presence of the ammunition in the Republic of Korea, so long as it remains compatible with the weapons used by ROK forces, United States ownership results in increasing costs for the maintenance and accountability of ammunition which is obsolete to our needs.

To resolve this unsatisfactory arrangement, the Department of the Army desires to sell the subject ammunition to the Republic of Korea. However, section 514 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h) re-

quires that the value of such transfer be charged against funds authorized under foreign military assistance legislation or against the limitations specified in such legislation. Section 514 states that value means the "acquisition cost plus crating, packing, handling, and transportation costs." The acquisition cost of the subject ammunition is approximately $152 million. Because of the cost, the Republic of Korea has not sought transfer of the WRSA ammunition. From the standpoint of the Republic of Korea, leaving the ammunition under U.S. ownership is an acceptable solution.

This legislative proposal would permit a one-time transfer of the subject ammunition in Korea to the Republic of Korea at a price negotiated by the Secretary of Defense, but not less than the ammunition's salvage value. This transfer would eliminate the expenditure of funds necessary to maintain and account for ammunition that cannot be used by U.S. forces. It would enable the Republic of Korea to use the subject ammunition for training and other purposes. Further it would free up much needed storage space for other requirements.

Other options have been fully considered but are not feasible. Although the ammunition could be demilitarized in the Republic of Korea, that would result in a sacrifice of the value the subject ammunition now has and could adversely affect our relations with the Republic of Korea. The ammunition could be demilitarized in the United States, but would involve the same disadvantages in demilitarizing the ammunition overseas with the additional problems and costs associated with transporting the ammunition to the United States. With legislative relief from statutory restrictions, the ammunition could be excessed and sold to a third country at a negotiated price. No potential buyer has been identified for this option and again, significant costs would be incurred in transporting the ammunition. None of these options would serve the strategic interests of the United States in protecting the sovereignty of the Republic of Korea.

The effect of this draft bill on the deficit would be:

FISCAL YEARS
[In millions of dollars]

	1991	1992	1993	1994	1995	1991–95
Receipts	$0	$0	$0	$1.77	$0	$1.77

The Omnibus Budget Reconciliation Act requires that all revenue and direct spending legislation meet a pay-as-you-go requirement. That is, no such bill should result in an increase in the deficit; and if it does, it must trigger a sequester if it is not fully offset. This proposal would increase receipts. Considered alone, it meets the pay-as-you-go requirement of Omnibus Budget Reconciliation.

Sincerely,

TERRENCE O'DONNELL.●

By Mr. LAUTENBERG:

S. 1907. A bill to establish national centers for plastics recycling research and development and to establish a national clearinghouse on plastics recycling; to the Committee on Environment and Public Works.

NATIONAL PLASTICS RECYCLING RESEARCH AND DEVELOPMENT ACT OF 1991

● Mr. LAUTENBERG. Mr. President, today I am introducing the National Plastics Recycling Research and Development Act of 1991. This bill will establish three centers for plastics research to help the Nation increase recycling of plastics. The bill was introduced in the House by Congressman TORRICELLI. I commend him for his initiative.

Mr. President, it's no secret that we face a solid waste crisis. We're generating 180 million tons of garbage a year, roughly double the amount from 1960. At the same time we are running out of landfill capacity.

Plastics are a rapidly growing segment of our garbage problem. In 1988, 14.4 million tons of plastic entered the municipal solid waste stream, an increase from 0.4 million tons in 1960. EPA expects plastics entering the waste stream will increase to 25.7 million tons by 2010. Plastics now make up 9 percent of the garbage which is discarded, up from 0.5 percent in 1960.

But the United States recycles only a small portion of this plastic, only 0.2 million tons or roughly 1 percent of the plastic waste generated. Plastic soft drink bottles are the only plastic product which is recycled in any significant amount. The plastics industry has established a goal of recycling 25 percent of the plastic bottles and containers entering the solid waste stream by 1995.

If we are going to see an increase in recycling of plastics, we're going to need additional research to address the technical and economic problems in collecting, sorting, reclaiming and marketing recycled plastics.

The most important problem revolves around the mixing of different types of plastics. Some use of plastics includes different resins. Mixed plastics can be processed only into relatively low-value items. Even those products which use one type of resin must be separated from products made with other types of resin.

Much of the existing research on plastics recycling is being conducted by the Center for Plastics Recycling Research at Rutgers University. This facility, which has been designated as a National University/Industry Cooperative Research Program by the National Science Foundation, is developing ways to recycle plastics at the highest level of economic value and with the greatest environmental benefits. Just a few weeks ago, the center developed an automated system for sorting virtually any plastic resin in the solid waste stream. It is essential that we foster these research efforts if we are going to increase our recycling of plastics and reduce the amount of garbage which must be disposed.

The National Plastics Recycling Research and Development Act of 1991 would require EPA to establish three national plastics recycling research and development centers. These centers would conduct research on:

Promoting increased recycling of plastics products and materials which are not currently recycled in significant amounts; developing improved methods for collecting, sorting, and reclaiming plastics; and new commercial applications for recycled plastic products and ways to expand commercial markets for recycled plastic products.

EPA would provide 50 percent of the funding for these centers.

The bill also requires EPA to establish a National Clearinghouse on Plastic Recycling at one of the recycling centers. The clearinghouse would disseminate information on issues related to plastics recycling.

Mr. President, I urge my colleagues to support this legislation and I ask unanimous consent that a copy of the bill be included in the RECORD.

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

S. 1907

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 shall be cited as the "National Plastics Recycling Research and Development Act of 1991".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) In 1988, 14.4 million tons of plastic entered the municipal solid waste stream in the United States.

(2) The United States recycles less than 5 percent of post-consumer plastic discards.

(3) Improved collection and separation of plastics, including solutions to problems caused by the amount of space taken up by plastic wastes and the variety of plastics found in post-consumer waste, would lead to increased plastics recycling in the United States.

(4) Plastics recycling success stories must be disseminated widely in order to avoid duplicative research.

(5) There is a need for a coordinated Federal plastics recycling research effort to concentrate research on the key barriers to increased plastics recycling and to increase awareness among potential users of the progress being made in plastics recycling technologies.

(6) The mission of a coordinated Federal plastics recycling research effort should be to establish the technology data base necessary to allow the eventual recycling and reclamation of all waste plastic materials in the solid waste stream to their highest level of economic value, and to transfer the technology to the public domain.

SEC. 3. NATIONAL CENTERS FOR PLASTICS RECYCLING.

(a) ESTABLISHMENT OF CENTERS.—The Administrator of the Environmental Protection Agency, in consultation and collaboration with the Secretary of Commerce, shall establish 3 National Plastics Recycling Research and Development Centers at institutions of higher education.

(b) TOPICS OF RESEARCH.—The research activities conducted by the Centers shall include, but not be limited to, the following:

(1) A study to determine the plastic products and materials present in large amounts in the solid waste stream but not currently recycled in significant amounts and research into how to promote increased recycling of those products.

(2) Research into the development of improved methods for collecting, sorting, and reclaiming plastics.

(3) Research into new commercial applications for recycled plastic products and ways to expand commercial markets for recycled plastic products.

(4) Research into the development of plastics recycling methods and systems which will save resources through the preservation of the chemical energy content of recycled plastic waste products and materials.

(c) GRANTS.—The Administrator shall make a grant to each Center in the amount of 50 percent of the funds required by such institution to conduct its assigned activities, with the remaining funds being provided by non-Federal sources (such as the State in which the Center is located, the institution of higher education involved, and the private sector).

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the purposes of this section $5,000,000 for fiscal year 1992 and for each of the next four fiscal years.

SEC. 4. NATIONAL CLEARINGHOUSE ON PLASTICS RECYCLING.

(a) ESTABLISHMENT.—The Administrator of the Environmental Protection Agency, shall establish and operate a clearinghouse to be known as the National Clearinghouse on Plastics Recycling. The Clearinghouse shall be located at one of the National Plastics Recycling Research and Development Centers established under section 3.

(b) FUNCTION.—The National Clearinghouse on Plastics Recycling shall gather, catalog, and disseminate information on issues and activities related to recycling, including information on—

(1) Current and prospective technologies for collecting, sorting, and reclaiming plastics;

(2) the development and marketing of products made from recycled plastics; and

(3) model plastics recycling programs for cities and towns.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the purposes of this section $2,000,000 for fiscal year 1992 and $1,000,000 for each of the next four fiscal years.●

By Mr. LAUTENBERG:

S. 1908. A bill to require a study on the potential for increased recycling of automobile components in the United States and the steps needed to increase such recycling; to the Committee on Environment and Public Works.

AUTOMOBILE RECYCLING STUDY ACT

● Mr. LAUTENBERG. Mr. President, today I am introducing the Automobile Recycling Study Act of 1991. It would establish a process to remove obstacles to the recycling of automobiles. The bill was introduced in the other body by Congressman TORRICELLI. I commend him for his initiative.

Mr. President, three growing problems threaten our ability to recycle automobiles. Unless addressed, these problems will worsen our garbage disposal problems.

Discarded automobiles currently are recycled at a very high rate. Over 9 million automobiles were recycled in 1990. Auto hulks are fed into shredders which reduce the hulk into fist sized pieces of metal. This metal is recycled. The plastic, rubber, fabric, glass and dirt in a car comes out as processing waste or fluff. Land disposal is the only present option for dealing with the fluff.

Right now, none of the nonmetallics used in automobiles are being recycled, and there is no technology currently available or economically viable even being developed. The amount of fluff from cars is growing because the amount of plastics used in cars is growing and plastic recycling has not addressed the different plastics resins mixed in the fluff.

If the nonrecoverable percentage of an automobile increases significantly, the recycling industry may be faced with disposal costs for fluff which are greater than the value of the recyclable fraction of the automobile.

A second problem facing automobile recyclers is the use of air bags containing sodium azide. Sodium azide is an explosive chemical and a poison and has been associated with threats to human health. Unexploded air bags cannot be detected in normal recycling operations.

The explosion of an undetonated air bag in equipment used to process and recycle automobile metal could cause serious injury to employees, damage equipment and expose employees and others to sodium azide.

Finally, toxic materials may be used in building an automobile which can hamper recycling efforts and threaten human health. For example, cadmium is used widely to coat certain bolts in automobiles or as a coloring medium. Cadmium is included on numerous Federal lists of toxic chemicals which threaten human health and the environment including EPA's list of 17 chemicals which it has targeted for reductions.

The Automobile Recycling Study Act would require EPA, after consultation with the automobile and recycling industries, to report to Congress on obstacles to auto recycling, methods to incorporate recyclability into the planning of new cars, amounts and types of toxic and nonrecyclable materials now used in cars and methods for engineering new plastics which would be more easily recyclable.

The bill is strongly supported by the Institute of Scrap Recycling Industries, which is the recycling industry's trade association. The institute sees this bill as a model for working with other industries to design their products for recyclability.

I urge my colleagues to support this legislation. And I ask unanimous consent that a copy of the bill, together with a copy of a letter supporting the bill from the Institute of Scrap Recycling Industries, be included in the RECORD.

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

S. 1908

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 shall be cited as the "Automobile Recycling Study Act of 1991".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The United States is rapidly running out of landfill space as the volume of municipal solid waste increases, existing landfills close, and new landfills become harder to site.

(2) An average of 10,000,000 automobiles in the United States are scrapped each year.

(3) While most metal parts of automobiles currently are recycled, about 25 percent of a scrapped vehicle's weight is discarded in landfills.

(4) The use of automobile parts, which are difficult to recycle, is expected to increase from about 10 percent of a car's weight to more than 15 percent in the next two decades.

(5) Increased use of air bags in automobiles poses a threat to safe and efficient recycling due to the toxic chemicals contained in air bag systems, and an increased need for better fuel efficiency has led to greater use of materials which are not easily recyclable.

(6) In order to increase the quantity of an automobile's materials that can be recycled, automobiles should be designed with recycling in mind.

(7) Several European automakers, in part because of governmental prompting, have launched initiatives to cut waste from scrapped automobiles through more careful car design and greater use of recyclable or reusable materials.

(8) Automobile manufacturers must work in tandem with the producers of raw materials for automobiles, materials suppliers, the automotive dismantling industry, the scrap processing industry, chemical process engineers, and the recycling industry to develop a more recyclable automobile.

(9) The Federal Government has an interest in coordinating research and development and supporting efforts by automakers to develop recyclable designs for automobiles.

SEC. 3. STUDY OF AUTOMOBILE RECYCLING POTENTIAL AND GOALS.

(a) STUDY REQUIREMENT.—The Administrator of the Environmental Protection Agency, in consultation with the Secretary of Transportation and the Secretary of Commerce, shall conduct a study on the potential for increased recycling of automobile components in the United States and the steps needed to increase such recycling.

(b) MATTERS TO BE STUDIED.—In carrying out the study, the Administrator shall consider, at a minimum, the following:

(1) The major obstacles to increased recycling of automobile components and how those obstacles can be overcome.

(2) Methods for incorporating recyclability into the planning, design, and manufacturing of new automobiles.

(3) Identification of toxic and nonrecyclable materials presently used in automobiles and possible substitutes for those materials.

(4) The feasibility of establishing design standards for automobiles that would result in a gradual phase-out of hazardous and nonrecyclable materials used in automobiles.

(5) Methods for engineering new plastics for use in automobiles that would be more easily recyclable.

(c) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Administrator shall submit to Congress a report on the study required by subsection

(a). The report shall contain a discussion of each matter described in subsection (b), as well as the findings and recommendations of the Administrator.

(d) ADVISORY COMMITTEE.—(1) the Administrator, in consultation with the Secretary of Transportation and the Secretary of Commerce, shall establish an advisory committee made up of representatives of the automobile manufacturing industry, the recycling industry, automotive materials industries, the automotive dismantling industry, State and local governments, and nongovernmental organizations. The committee shall advise the Administrator on issues pertaining to the development of the report required by this Act.

(2) The Committee shall be subject to the provisions of the Federal Advisory Committee Act.

(3) The Administrator shall terminate the advisory committee not later than 30 days after the report required by this Act is submitted to Congress.

INSTITUTE OF SCRAP
RECYCLING INDUSTRIES, INC.,
Washington, DC, October 28, 1991.

Hon. FRANK LAUTENBERG,
U.S. Senate, Washington, DC.

DEAR SENATOR LAUTENBERG: The Institute of Scrap Recycling Industries, Inc. (ISRI), is pleased to learn that you will soon introduce legislation to encourage the recycling of automobiles. Over 10 million scrap automobiles are successfully recovered in the United States each and every year. Automobiles make up the largest single source of scrap steel recovery in the U.S.—which now totals 60 million tons a year.

We agree with you that automobile recycling must be optimized if we are to avoid a solid waste disaster. If products continue to be designed without regard to their ultimate recyclability, recycling cannot succeed. The continued inclusion and the forecast expansion of non-recoverable components, toxic components, and other impediments to recycling in durable goods such as automobiles could easily disrupt the delicate economics which dictate whether or not a car will be recovered from the waste stream. Clearly, to dispose of 10 million auto hulks a year would not only waste precious resources, but would also swamp existing disposal capacity.

We believe the legislation you have offered will provide a framework for the affected industries and environmental organizations, in partnership with the Federal government, to promote automobile recovery. We are pleased to see far-sighted proposals such as this one introduced, and look forward to working with you on this occasion, as we have in the past.

Kind personal regards,

HERSCHEL CUTLER,
Executive Director.●

By Mr. MOYNIHAN:

S. 1909. A bill to liberalize the Social Security retirement earnings test for individuals who have attained normal retirement age, and to modify the taxation of Social Security benefits; to the Committee on Finance.

LIBERALIZATION OF SOCIAL SECURITY EARNINGS TEST

● Mr. MOYNIHAN. Mr. President, I rise today to introduce a bill that includes two important proposals related to the Social Security Program.

The first proposal would raise the annual exempt amount under the Social Security retirement test for those age 65 to 69 by $3,000 a year for the next 5 years. This would increase the retirement test from $9,720 this year to $24,720 by 1996. The proposal would greatly assist those senior citizens earning average wages or less who want to continue working to supplement their Social Security retirement income. By 1996 they could earn more than 2½ times as much as they can now before benefits could be reduced by their earnings.

The second proposal would provide that, for beneficiaries with sufficiently high income, the maximum portion of Social Security benefits subject to income tax would be 55 percent in 1992 and 1993, and 60 percent in 1994 and thereafter, as compared with 50 percent under present law. The bill maintains the income thresholds in present law that protect the vast majority of current recipients from having any of their benefits taxed at all. In 1990, only 16 percent of Social Security beneficiaries had income above the thresholds and had any part of their benefits taxed. This proposal would more nearly conform the tax treatment of Social Security benefits to that of private pensions, while maintaining significant tax treatment advantages for Social Security benefits, as I will explain shortly.

The two proposals embodied in this bill, or similar ones, are often proposed or discussed individually. Each proposal has an independent policy basis and can stand alone on its own merits. But they complement one another financially, since together they are budget neutral, so that it makes some sense to consider them together.

A number of proposals have been introduced in the current Congress to raise the Social Security retirement test. Under current law, if an individual files for Social Security retirement benefits and continues to work, his or her benefits may be reduced if earnings exceed a certain amount, called the annual exempt amount. For those aged 65 to 69, the annual exempt amount is $9,720 in 1991. For those under age 65, it is lower. The retirement test does not apply to those age 70 or over. Exempt amounts are indexed to rise automatically each year with the increase in average wages. If yearly earnings exceed the annual exempt amount, benefits are reduced by $1 for every $3 of excess earnings. The retirement test does not apply to unearned income.

The retirement test was a part of the original Social Security Act of 1935. Its defenders say that the purpose of the test is to provide an objective measure of retirement, and that individuals should not receive retirement benefits unless they have in fact retired. They also point out that repeal of the retirement test would cost about $5 billion a year in extra benefits, which would go in disproportionate share to wealthy senior citizens who continue, for example, to practice law or sit on corporate boards.

Critics say that the retirement test may have made sense in the 1930's as a means of encouraging retirement of older workers to make room for younger workers, but that the structure of the current work force makes the retirement test obsolete. They also say that the test serves as a serious work disincentive for the elderly, and unfairly penalizes those seniors who want to continue their working lives.

These are reasonable arguments on both sides, which explains why efforts to liberalize the retirement test—efforts that I have supported—have proceeded incrementally. For example, in the Social Security Amendments of 1983 we provided for changing the benefit offset for persons aged 65 to 69 from a $1 benefit loss for every $2 of earnings over the exempt amount, to $1 for every $3. This modification became effective last year.

In 1983 we also provided for gradually increasing the delayed retirement credit to an actuarially fair level. Under this provision, monthly benefits are increased by a certain percentage for each year of delay in receipt of retirement benefits from age 65 to 69. Thus, persons who want to continue to work past age 65 can delay filing for benefits and later be compensated for the foregone benefits. In the 1983 amendments, we provided for gradually raising the delayed retirement credit from 3 percent to 8 percent a year, over the period 1990–2009, so as to make it more actuarially compensatory.

The present proposal would raise the retirement test exempt amounts for those age 65 to 69 by $3,000 a year for the next 5 years, from the current $9,720 to $24,720 in 1996. Seniors could thus earn more than 2½ times as much in 1996, as they can now before benefits could be affected by their earnings. A significant number of senior citizens who continue to work past age 65 but earn less than $24,720 a year would no longer be affected by the retirement test at all. This would clearly be a big help to those seniors earning average wages or less who want to keep working to supplement their Social Security retirement income.

The other part of the bill would provide that, for beneficiaries with sufficiently high income, the maximum portion of Social Security benefits subject to income tax would be 55 percent in 1992 and 1993, and 60 percent in 1994 and thereafter, as compared with 50 percent under present law. The bill would maintain the income thresholds in current law that protect the vast majority of recipients from having any of their benefits taxed at all.

Presently, up to one-half of Social Security benefits may be counted as taxable income for beneficiaries with income over certain threshold

amounts. Specifically, if the sum of adjusted gross income, tax-exempt interest income, and one-half of Social Security benefits exceeds the applicable threshold, then the lesser of (a) one-half of benefits, or (b) one-half of the excess, must be counted as taxable income. The thresholds are $25,000 for single persons, and $32,000 for couples filing jointly. Currently, only 16 percent of Social Security recipients have income above the thresholds and pay Federal income tax on any part of their benefits. Revenues from the taxation of benefits are deposited in the Social Security trust funds.

The current provision for the taxation of benefits was adopted in the Social Security Amendments of 1983, and became effective in 1984. Prior to 1984, benefits were not subject to income tax, but the issue had been considered from time to time. For example, the 1979 Social Security Advisory Council reviewed the matter and stated as follows:

> The [original] tax treatment of Social Security was established at a time when both Social Security benefits and income tax rates were low. In 1941 the Bureau of Internal Revenue ruled that Social Security benefits were not taxable, most probably because they were viewed as a form, of income similar to a gift or gratuity.
>
> The council believes that this ruling was wrong when made and is wrong today. The right to Social Security benefits is derived from earnings in covered employment just as is the case with private pensions.

The council found that the tax treatment of private pensions would, in theory, be an appropriate model for the tax treatment of Social Security. Private pension benefits are taxed to the extent that they exceed the employee's accumulated contributions to the plan. The council cited estimates to the effect that high wage earners—that is, maximum contributors—entering the labor force in 1979 would pay into the Social Security system no more than 17 percent of what they could be expected to get back in benefits. But the council concluded that it would be too complicated to tax Social Security on exactly the same basis as private pensions, and that rough justice would be done if half the benefit—construed as the employer contribution—were made taxable.

From time to time we still hear discussion of proposals to tax up to 85 percent of benefits. But there is a problem with such proposals, which is that they do not take account of the effect of inflation on a worker's contributions. A worker's early dollar contributions to Social Security are worth much more when paid than when received. Annual contributions of hundreds of dollars in the 1960's and 1970's may be worth thousands of dollars at retirement in the 1990's, in real terms. In recognition of this, it would seem more appropriate to tax only the value of benefits in excess of contributions adjusted for inflation, rather than the value of benefits in excess of nominal contributions.

Actuaries at the Social Security Administration estimate that, if we adjusted contributions for inflation, the accumulated indexed maximum contributions for high wage earners who retired in 1990 would account for about 35 percent of the present value of their expected benefits. This would make it appropriate to tax no more than 65 percent of the benefits of such retired workers. The Congressional Budget Office estimates that it would be appropriate to tax 60 to 70 percent of the benefits of such retired workers under this method. This bill; takes the low estimate and provides that, for beneficiaries with income over the current income thresholds, the portion of benefits subject to income tax would be no more than 55 percent in 1992 and 1993, and no more than 60 percent in 1994 and thereafter.

I wish to make clear that, under this proposal, Social Security benefits would continue to receive preferential tax treatment compared to private pensions. First, we would establish the principle of indexing Social Security contributions for inflation for tax purposes. And second, we would maintain the income thresholds that currently keep the majority of recipients from having to pay any tax whatsoever on their Social Security benefits.

The provision to liberalize the retirement test costs about $6 billion over 5 years, and the proposed modification in the taxation of benefits raises the same amount over this period. The coupling of these proposals thus achieves two independent Social Security policy objectives in a budget-neutral fashion.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1909

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

SECTION 1. LIBERALIZATION OF EARNINGS TEST FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.

(a) IN GENERAL.—Subparagraph (D) of section 203(f)(8) of the Social Security Act (42 U.S.C. 403(f)(8)) is amended to read as follows:

"(D) Notwithstanding any other provision of this subsection, the exempt amount which is applicable to an individual who has attained retirement age (as defined in section 216(l) before the close of the taxable year involved shall be increased by $3,000 in each taxable year over the exempt amount for the previous taxable year, beginning with any taxable year beginning after 1991 and before 1997.".

(b) CONFORMING AMENDMENT.—The second sentence of section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended by striking "which is applicable to individuals described in subparagraph (D) thereof" and inserting "which would be applicable to individuals who have attained retirement age (as defined in section 216(l)) without regard to any increase in such amount resulting from a law enacted in 1991".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to taxable years beginning after December 31, 1991.

SEC. 2. MODIFICATION IN PERCENTAGE OF SOCIAL SECURITY BENEFITS SUBJECT TO TAX.

(a) IN GENERAL.—Subsections (a) and (b) of section 86 of the Internal Revenue Code of 1986 (relating to social security and tier 1 railroad retirement benefits) are each amended by striking "one-half" each place it appears and inserting "55 percent for a taxable year starting in 1992 or 1993 and 60 percent for taxable years starting after 1993".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1991.●

By Mr. LEAHY:

S. 1910. A bill to permit the Secretary of Agriculture to use funds of the Commodity Credit Corporation during the initial 90-day period of each of fiscal years 1992 through 1995 to purchase, process, and distribute additional commodities under the emergency food assistance program and certain hunger prevention programs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

COMMODITIES ASSISTANCE ACT OF 1991

● Mr. LEAHY. Mr. President, as I speak thousands of Vermonters, and others across the country, are suffering the loss of commodities in the TEFAP and soup kitchen programs.

Food shelves in my State have had to cancel distribution of commodities for this month, leaving many families without the food assistance that is so critical during this recession.

This could all have been prevented if the administration had been willing to continue its commodity purchases as scheduled for the beginning of the fiscal year. Instead, the administration chose to balance its checkbook on the backs of working families seeking assistance from local food shelves.

This bill, the Commodities Assistance Act of 1991, ensures that the administration will not be able to play this game again. If the beginning of the fiscal year interferes with the delivery of commodities to the TEFAP and the soup kitchen programs, the Secretary of Agriculture must use funds from the Commodity Credit Corporation to continue delivery of these commodities.

Let me point out that this bill does not increase spending. It only ensures that there is no delay in spending that would occur anyway.

This legislation means that no Vermonters, or any other American families, will have to go without basic food supplies for months because the administration is busy counting its pennies.●

By Mr. RIEGLE (for himself and Mr. LEVIN):

S. 1911. A bill to amend the Internal Revenue Code of 1986 to require foreign insurance companies to use same year

tax return data in calculating minimum effectively connected net investment income, to provide for a carryover account, and to allow an election to use an individualized company yield; to the Committee on Finance.

TAXATION OF CERTAIN FOREIGN COMPANIES

• Mr. RIEGLE. Mr. President, today I am introducing, along with Mr. LEVIN, a bill to amend section 842(b) of the Internal Revenue Code which affects the taxation of foreign companies carrying on insurance businesses within the United States. This legislation is intended to correct certain technical problems and inequities in the current section 842(b). Identical legislation, H.R. 3388, has been introduced in the House of Representatives by Congressman SANDER LEVIN of Michigan.

Section 842(b) was added to the Internal Revenue Code as part of the Omnibus Budget Reconciliation Act of 1987 to address a concern that foreign insurance companies were able to minimize the amount of net investment income subject to U.S. taxation. Section 842(b) sets out rules for calculations of "required U.S. assets" and "minimum effectively connected net investment income." Under section 842(b), the net investment income of a foreign insurance company that is effectively connected with the conduct of an insurance business in the United States may not be less than the required U.S. assets of the company multiplied by the domestic investment yield applicable to the company for the taxable year. Required U.S. assets is the product of the foreign insurance company's U.S. insurance liabilities and the domestic asset/liability percentage. Once this minimum amount of effectively connected net investment income is calculated, the insurance company pays tax under the regime set out in subchapter L of the Internal Revenue Code, but using the greater of this minimum amount or the company's actual amount of effectively connected net investment income as the amount of its net investment income.

The amending legislation does not change the fundamental concept set out in the 1987 amendments but simply corrects certain technical problems and inequities. The amending legislation modifies current section 842(b) in three mechanical ways. In addition, the amending legislation allows a foreign insurance company to elect to incorporate its own U.S. dollar-denominated assets' yield in the calculation of the minimum effectively connected net investment income. During the markup of last year's reconciliation bill, a proposal similar to this legislation was included in a list of 28 tax proposals that had been reviewed by the Joint Committee on Taxation.•

ADDITIONAL COSPONSORS

S. 243

At the request of Mr. DOLE, his name was withdrawn as a cosponsor of S. 243, a bill to revise and extend the Older Americans Act of 1965, and for other purposes.

S. 474

At the request of Mr. DECONCINI, the names of the Senator from Montana [Mr. BURNS], the Senator from Alaska [Mr. STEVENS], the Senator from New Hampshire [Mr. SMITH], the Senator from Idaho [Mr. SYMMS], the Senator from Delaware [Mr. ROTH], the Senator from Vermont [Mr. JEFFORDS], the Senator from Alaska [Mr. MURKOWSKI], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 474, a bill to prohibit sports gambling under State law.

S. 1423

At the request of Mr. DODD, the names of the Senator from Maine [Mr. COHEN] and the Senator from Montana [Mr. BURNS] were added as cosponsors of S. 1423, a bill to amend the Securities Exchange Act of 1934 with respect to limited partnership rollups.

S. 1555

At the request of Mr. RIEGLE, the names of the Senator from Pennsylvania [Mr. WOFFORD] and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of S. 1555, a bill to provide for disaster assistance to fruit and vegetable producers, and for other purposes.

S. 1577

At the request of Mr. METZENBAUM, the names of the Senator from Massachusetts [Mr. KENNEDY], the Senator from Utah [Mr. HATCH], the Senator from Iowa [Mr. HARKIN], the Senator from Washington [Mr. ADAMS], the Senator from Maryland [Ms. MIKULSKI], the Senator from Minnesota [Mr. WELLSTONE], the Senator from Connecticut [Mr. DODD], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Rhode Island [Mr. PELL], the Senator from Illinois [Mr. SIMON], the Senator from Vermont [Mr. JEFFORDS], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Indiana [Mr. COATS], the Senator from South Carolina [Mr. THURMOND], the Senator from Minnesota [Mr. DURENBERGER], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 1577, a bill to amend the Alzheimer's Disease and Related Dementias Services Research Act of 1986 to reauthorize the Act, and for other purposes.

S. 1677

At the request of Mr. DASCHLE, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Arizona [Mr. DECONCINI], the Senator from Massachusetts [Mr. KERRY], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S. 1677, a bill to amend title XIX of the Social Security Act to provide for coverage of alcoholism and drug dependency residential treatment services for pregnant women and certain family members under the Medicaid Program, and for other purposes.

S. 1738

At the request of Mr. DASCHLE, the names of the Senator from Missouri [Mr. BOND], the Senator from Wisconsin [Mr. KASTEN], and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 1738, a bill to prohibit imports into the United States of meat products from the European Community until certain unfair trade barriers are removed, and for other purposes.

S. 1741

At the request of Mr. ROBB, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 1741, a bill to provide for approval of a license for telephone communications between the United States and Vietnam.

S. 1786

At the request of Mr. BAUCUS, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 1786, a bill to amend the Internal Revenue Code of 1986 to more accurately codify the depreciable life of semiconductor manufacturing equipment.

S. 1810

At the request of Mr. DURENBERGER, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1810, a bill to amend title XVIII of the Social Security Act to provide for corrections with respect to the implementation of reform of payments to physicians under the Medicare Program, and for other purposes.

S. 1855

At the request of Mr. GRASSLEY, the name of the Senator from California [Mr. SEYMOUR] was added as a cosponsor of S. 1855, a bill to provide for greater accountability for Federal Government foreign travel.

SENATE JOINT RESOLUTION 194

At the request of Mr. GRAMM, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of Senate Joint Resolution 194, a joint resolution to designate 1992 as the "Year of the Gulf of Mexico."

SENATE JOINT RESOLUTION 197

At the request of Mr. COCHRAN, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Joint Resolution 197, a joint resolution acknowledging the sacrifices that military families have made on behalf of the Nation and designating November 25, 1991, as "National Military Families Recognition Day."

SENATE JOINT RESOLUTION 198

At the request of Mr. AKAKA, the names of the Senator from Utah [Mr. GARN] and the Senator from Massachusetts [Mr. KERRY] were added as co-

sponsors of Senate Joint Resolution 198, a joint resolution to recognize contributions Federal civilian employees provided during the attack on Pearl Harbor and during World War II.

SENATE JOINT RESOLUTION 211

At the request of Mr. D'AMATO, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of Senate Joint Resolution 211, a joint resolution designating October 1991 as "Italian-American Heritage and Culture Month."

SENATE CONCURRENT RESOLUTION 17

At the request of Mr. HATCH, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Kentucky [Mr. FORD], the Senator from Hawaii [Mr. INOUYE], the Senator from Alabama [Mr. HEFLIN], the Senator from North Dakota [Mr. CONRAD], the Senator from Illinois [Mr. DIXON], and the Senator from Wyoming [Mr. WALLOP] were added as cosponsors of Senate Concurrent Resolution 17, a concurrent resolution expressing the sense of Congress with respect to certain regulations of the Occupational Safety and Health Administration.

SENATE CONCURRENT RESOLUTION 65

At the request of Mr. DECONCINI, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of Senate Concurrent Resolution 65, a concurrent resolution to express the sense of the Congress that the President should recognize Ukraine's independence.

SENATE RESOLUTION 70

At the request of Mr. SANFORD, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of Senate Resolution 70, a resolution limiting expenditures in campaigns for election to the Senate, setting standards of conduct for those seeking election or re-election to the U.S. Senate and providing sanctions against those elected who bring discredit to the U.S. Senate by violating the established standards of conduct.

SENATE RESOLUTION 116

At the request of Mr. ROTH, the name of the Senator from Kentucky [Mr. FORD] was added as a cosponsor of Senate Resolution 116, a resolution to express the sense of the Senate in support of Taiwan's membership in the General Agreement on Tariffs and Trade.

SENATE RESOLUTION 213—RELATIVE TO UNITED STATES POLICY TOWARD YUGOSLAVIA

Mr. GORE (for himself and Mr. PELL) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 213

Whereas attacks against the people and territory of the Republic of Croatia by armed forces responding to direction from the Republic of Serbia are continuing despite numerous cease-fire agreements negotiated under the auspices of the European Community;

Whereas losses of life, property, and displacement of persons have already reached grievous levels and are continuing to rise as the result of continued violation of cease-fires;

Whereas attacks against the Republic of Croatia represent an effort to change post-war borders by force; and

Whereas it is a fundamental principle essential for the future peace of Europe that internationally recognized borders not be changed by force: Now, therefore, be it

Resolved, That it is the sense of the Senate that unless the authorities and military forces now conducting military operations against the Republic of Croatia immediately comply with the terms of the cease-fire previously negotiated by the European Community, the policy of the United States should be—

(1) to recognize the republics of Slovenia and Croatia as independent states;

(2) to freeze all assets in the United States in which the Republic of Serbia has any right, title, or interest, and to break off all commerce or any form of assistance or cooperation between the United States and the Republic of Serbia;

(3) to offer humanitarian assistance to the Republic of Croatia;

(4) to place the Republic of Serbia on notice that continued military action will cause the United States to place this issue on the agenda of the United Nations Security Council as an international act of aggression, and to call for appropriate sanctions; and

(5) to require of Croatian authorities a clear and binding commitment to protect the rights of Serbs living within the boundaries of Croatia, and to demand a formal commitment on their part to accept international inspection and, if necessary, arbitration, if needed to protect those rights.

Mr. GORE. Mr. President, last Friday, in a speech given here in this Chamber, I discussed events in the former nation of Yugoslavia and called for a change in American policy, promising on that occasion to return with a resolution describing in detail what ought to be done.

I submit a resolution, cosponsored by the distinguished chairman of the Senate Foreign Relations Committee, Senator PELL, in keeping with the commitment that I made last week.

Essentially, this resolution calls upon the Republic of Serbia to comply finally with the cease-fire proposals put forward by the European Community. If the Republic of Serbia will not comply, the resolution states that American policy will then change.

Specifically, the United States should extend formal recognition to the Republics of Slovenia and Croatia. The continuation of attacks against the territory of Croatia would be, unambiguously, an international matter which could then be dealt with by appropriate unilateral United States action, such as humanitarian aid for Croatia, and bring action in the U.N. Security Council.

It is important to realize that the European Community is approaching the same line of action now at great speed. They have exhausted their patience with the Republic of Serbia, and they have set a fixed deadline of November 7, for compliance with the cease-fire.

Failing that, the European Community, as of October 28, has announced that it is taking this matter to the Security Council under chapter VII of the U.N. Charter, which, as Iraq has reason to know, has teeth.

In order to do this, however, it will be important to have converted the issue to an international, rather than an internal, dispute. I believe that the Europeans, having held off for some time, are now prepared to recognize Croatia if the November 7 deadline is not met by the Republic of Serbia. There is no guarantee of this, but the logic of the situation points straight at that outcome.

Mr. President, I will circulate this resolution to all Members of the Senate over the weekend, and then hope that it will pick up increasing numbers of cosponsors as a signal to the leaders of the Republic of Serbia that the world is about to turn against them in a manner that will cost them dearly, especially if they do not immediately stop their attack on the people and territory of Croatia.

I am by no means unaware of the historic reasons for fears entertained by the Serbs, as regards their treatment in Croatia.

The international community must demand that these rights be respected under terms that can be verified, and my resolution makes that point.

But Belgrade is not menaced by aircraft and tanks from Croatia, while cities of Croatia have been strafed, shelled, and blockaded by forces operating under Serbian control. That simply has to stop. The realities of the situation have to be faced. There can no longer be a unified Yugoslav State. Its people no longer want there to be a unified Yugoslavia. The sooner we recognize that Yugoslavia exists no longer, the sooner we will be able to define an American policy that makes sense.

As I said last week, in my own family, the older brother of my father, who was in his late teens at the time, was pulled out of the hills of middle Tennessee and sent to a conflict we now refer to as World War I, because the blood feuds in the Balkans spilled over into world politics and led to that great conflagration.

Now that we are on the verge of a new era in which we can grasp the potential for peaceful resolution of differences that would once have led to warfare, now that the European Community is struggling toward its own integration into an unified political and economic entity, once again blood feuds and ancient hatreds in the Balkans are threatening to spill over into the rest of the global community.

How many potential conflicts are there in parts of the former Soviet Union, for example, in other places in Eastern Europe, where the jury is still out on whether they will be able to resolve those disputes without resorting to bloodshed and violence? What happens in the Balkans and the reaction of the world community to the events unfolding in the Balkans will have grave implications for all of those other potential disputes.

Mr. President, I strongly believe that the United States must speak out, must change its policy, and must join with the European Community in pushing toward a resolution of this dangerous violence now unfolding in the Republic of Croatia.

The people of the former nation of Yugoslavia are determined to have their version of independence in the various republics I have mentioned here. Some of them have paid for that desire in blood. And their determination must be respected and recognized as irreversible.

The PRESIDING OFFICER. The Chair inquires of the Senator from Tennessee, has he submitted the resolution referenced in his talk today to the desk?

Mr. GORE. Mr. President, I ask unanimous consent that a statement by the European Community dated a few days ago on this matter, be printed in the RECORD.

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

STATEMENT ON THE SITUATION IN YUGOSLAVIA

The European Community and its Member States have studied the results of the seventh plenary session of the Conference on Yugoslavia, which was held at The Hague on October 25, 1991 under the chairmanship of Lord Carrington.

They have concluded that five Republics have reiterated their receptiveness to cooperation based on a draft agreement submitted by Lord Carrington and the chair. They have also taken note that one Republic continued to reserve judgment.

The European Community and its Member States have always been convinced that only a global treaty based on the principles reflected in the draft agreement presented at the Conference on Yugoslavia would ensure a peaceful solution to the present crisis. In particular the principles relating to unilateral non-modification of borders, the protection of human rights and the rights of national and ethnic groups constitute a universal, objective model leaving no place for compromises.

The European Community and its Member States are dismayed at the repeated violations of these principles. Within this context they are referring to the position adopted by the Serbians at the Conference, to the coup d'état perpetrated by four members of the Federal Directorship (Présidance), together with their announcement of a plan to establish a "Greater Serbia." The statements and actions of the Federal Army, condemned in the October 28, 1991 Statement on Dubrovnik, should likewise be viewed in this context.

These principles should be accepted unequivocally by all the parties concerned, so that the Conference on Yugoslavia will be able to achieve positive results. This involves removal of any Serbian reservations, and, if such is the case at the next plenary session on November 5, the Conference will be able to continue in its present form based on the draft agreement.

In the contrary event, the Conference will continue with the Republics disposed to cooperate with a view to arriving, at the conclusion of a negotiating process conducted in good faith, as was agreed at Haarsuilens on October 6, at a political solution as regards recognition of those Republics who desire same. Those parties who fail to cooperate must then expect that restrictive measures will be taken against them by the European Community and its Member States.

The European Community and its Member States will request the Security Council to consider without delay the question of new restrictive measures based on Chapter VII. The Ministers will examine the question of restrictive measures at their November 4 meeting with a view to making a decision at a subsequent meeting to take place within the week, based on the results of the next plenary Conference session on November 5.

Taking into account the importance of the November 5 meeting, the Conference Coordinator, Ambassador Wijnsendtz, will meet with the parties concerned in Yugoslavia in a last attempt to reconciling persisting differences of opinion. Lord Carrington will be informing the Secretary General of the United Nations this very day. In the meantime, the Conference work groups will continue to develop and refine the agreement with a view towards a global solution.

The European Community and its Member States appeal to the CSCE (Conference on Security and Cooperation in Europe) as well as the Security Council of the United Nations to continue to show their support of their efforts to come to a peaceful solution of the Yugoslavian crisis and to denounce the role played by the Federal Army, as well as the coup détat perpetrated by four of the members of the Federal Directorship.

SENATE RESOLUTION 214—TO CORRECT THE ENGROSSMENT OF S. 1745

Mr. DOLE submitted the following resolution; which was ordered to be held at the desk by unanimous consent:

S. RES. 214

Resolved, That in the engrossment of S. 1745, the Secretary of the Senate is directed to make the following corrections:

(1) TO CONFORM DEFINITION OF COMPLAINING PARTY TO PERMIT FEDERAL GOVERNMENT EMPLOYEES TO OBTAIN DAMAGES FOR ADA VIOLATIONS.—In section 102, in section (d)(1)(B) of proposed section 1977A, insert "a person who may bring an action or proceeding under section 505(a)(1) of the Rehabilitation Act of 1973 (29 U.S.C. 794a(a)(1))," before "or a person who may bring an action or proceeding under title I of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)".

(2) TO CONFORM DEFINITION OF DISCRIMINATORY PRACTICE.—In section 102, in section (d)(2) of proposed section 1977A, strike "disparate treatment" and insert in lieu thereof "discrimination".

(3) AGREED CHANGES TO GLASS CEILING AMENDMENT.—

(a) At the end of section 202(a)(6), insert "and" after ";"

(b) At the end of section 202(a)(7), strike "; and" and insert "."

(c) Strike section 202(a)(8).

(4) RESTORE MURKOWSKI AMENDMENT.—Strike section 402 and insert in lieu thereof the following new section:

SEC. 402. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise specifically provided, this Act and the amendment made by this Act shall take effect upon enactment.

(4) CERTAIN DISPARATE IMPACT CASES.—Notwithstanding any other provision of this Act, nothing in this Act shall apply to any disparate impact case for which a complaint was filed before March 1, 1975 and for which an initial decision was rendered after October 30, 1983.

(5) TO CORRECT A TECHNICAL ERROR IN SECTION 109(B).—In section 109(b), in proposed section 702(b), strike "joint management committee" and insert in lieu thereof "joint labor-management committee".

(6) TO CORRECT TECHNICAL ERRORS IN SECTION 103.—In section 103, strike ", 1981A" and insert in lieu thereof ", 1977A"; and strike "1981" and insert in lieu thereof "1977".

AMENDMENTS SUBMITTED

NATIONAL ENERGY SECURITY ACT

COCHRAN (AND LOTT) AMENDMENT NO. 1302

Mr. LOTT (for Mr. COCHRAN, for himself and Mr. LOTT) proposed an amendment to the bill (S. 1220) to reduce the Nation's dependence on imported oil, to provide for the energy security of the Nation, and for other purposes, as follows:

On page 489, line 3, of the pending measure insert "(a.)" after "SEC. 184."

On page 489, line 10, add the following subsection:

"(b) As a necessary part of enlarging the Strategic Petroleum Reserve to one billion barrels, the President shall direct the Secretary of Energy to establish, consistent with the requirements of the National Environmental Policy Act (42 U.S.C. 4341), and to maintain (with funds appropriated for the Strategic Petroleum Reserve for fiscal year 1991 and fiscal years beginning thereafter) a Strategic Petroleum Reserve site in the State of Mississippi at the Richton Saltdome in Perry County, Mississippi of at least 150 million barrels of such oil or product.

NATIONAL JOB SKILLS WEEK

GORE AMENDMENT NO. 1303

Mr. MITCHELL (for Mr. GORE) proposed an amendment to the joint resolution (S.J. Res. 164) designating the weeks of October 27, 1991, through November 2, 1991, and October 11, 1992, through October 17, 1992, each separately as "National Job Skills Week", as follows:

On page 2, lines 3 and 4, strike "October 27, 1991, through November 2, 1991," and insert in lieu thereof: "December 8, 1991, through December 14, 1991,".

NOTICE OF HEARINGS

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. LEVIN. Mr. President, I wish to announce that the Subcommittee on Oversight of Government Management, Committee on Governmental Affairs, will hold a hearing on "Buying 'Green': Federal Purchasing Practices and the Environment," on Friday, November 8, 1991, at 9:30 a.m., in room 342 of the Dirksen Senate Office Building.

ADDITIONAL STATEMENTS

ENGLISH AS THE OFFICIAL LANGUAGE OF THE GOVERNMENT

• Mr. SHELBY. Mr. President, each fall, much of this Nation's attention is focused on our national pastime—baseball. This year has been no different. I would like to congratulate both the world champion Minnesota Twins and the National League champion Atlanta Braves on one of the most exciting world series I have ever seen. These teams, and everyone connected with them, are winners.

Baseball is uniquely American. When the World Series comes around every year, the game seems to get a grip on our national consciousness. And it is no wonder. Baseball was our first national sport. The country and the sport grew up together. Soldiers on both sides of the Civil War played baseball and the game has not changed much since its conception early in the 19th century.

In many ways, the game of baseball reflects our American culture. It says a lot about who we are. Our competitiveness, our sense of fair play, our team spirit. And now, when there is so much concern about diversity, baseball shows us it is possible to be diverse, to be individuals, to be distinct and still function as a team within the framework of unity.

However, to function effectively, players must be able to communicate.

It is the same with our country. Without a common means of communication, a shared language, the United States could not function as a united nation. As my colleagues in the Senate know, I am the sponsor of S. 434, the Language of Government Act. This bill would make English our official language of Government preserving the greatest common bond we share in this diverse Nation.

The United States already has a common language, a common history, and a common culture. The Language of Government Act fosters unity through common communication. It is with English that we have dissolved mistrust and fear and drawn up understandings and agreements that allow our society to function. We, as elected representatives, should understand better than anyone the importance of communication.

In the U.S. Congress, we come from different backgrounds. Yet despite our differences we work together. We debate, we argue, and we compromise in a language we all understand. Through this communication, we express our beliefs and translate them into legislation. Without communication, there would be no means of sharing our various traditions and heritages. We would be separated by language barriers, confused, and disorganized.

Mr. President, the Language of Government Act would establish a national language policy where today there is none. It would make English the official language of our legislative, administrative, executive, and judicial branches of Government. Despite some misconceptions, S. 434 would not affect the private use of language in the home, the church, the community, or private business. The purpose of this legislation is not to dampen the interest or enthusiasm that our citizens hold for other languages—I encourage the study of foreign languages. It would not affect the teaching and learning of other languages. In fact, since our Government functions in English now, very little would actually change if this bill were passed. But by establishing a language policy now, the United States can avoid a situation similar to the one that is currently strangling the Canadian Government.

The issue of official language is communication. Within the framework of unity we are free to develop our individual talents and skills, and cultivate our diversity. As in baseball, we may play our individual positions with style and flair and still function as a team, united and strong. That, after all, is our Nation's heritage. And with passage of the Language of Government Act, it will be our future.•

REPUBLICANS COULD GOVERN

• Mr. KASTEN. Mr. President, in a recent article, columnist David Broder reported on the effects of the Senate Republican Conference Task Force on Economic Growth and Job Creation and the House Wednesday Group to develop new strategies to cure poverty and recession.

Contrary to conventional wisdom, Republicans are not the party of the status quo—we are the true party of progress and change. We believe that the power of incentives, free enterprise, and voluntarism can be harnessed to solve some of America's most difficult economic and social problems.

I highly recommend Mr. Broder's article entitled "Republicans Could Govern" to the Senate and I ask that it be printed in the RECORD:

The article follows:

[From the Washington Post, Oct. 27, 1991]

REPUBLICANS COULD GOVERN

(By David S. Broder)

Unless you are of a certain age and were really tuned into politics in the early '50s, the possibility of a Republican Congress is as unfamiliar to you as a balanced budget. The last time there really was a Republican Congress was back in 1953–54. Democrats yielded the Senate majority to the GOP briefly between 1981 and 1987, but they have held control of the House of Representatives ever since 1955.

Anyone under 50 can be forgiven for thinking that the only thing Republicans can do in the legislative branch is oppose Democratic initiatives, support presidential vetoes and defend administration officials and appointees before congressional committees. That's all they've ever seen.

The Republicans are type-cast as naysayers, obstructionists and lackeys of the White House. No wonder, then, that the voters' reflex is to keep electing Democrats to the House and Senate.

For a few hours the other morning, however, it was possible to glimpse what life might be like in a Republican Congress. It was nothing like the stereotype.

Over in a Senate committee room, the Republican Conference Task Force on Economic Growth and Job Creation was holding a mock hearing on tax proposals to stimulate the lethargic economy and ward off an early return to recession.

In a small office in the Capitol, the House Wednesday Group, an informal caucus of issue-oriented Republicans, was holding a press briefing on a report embodying two years of their work on new approaches to cracking the problem of persistent poverty.

My purpose is not to ballyhoo their specific proposals, although many of them make sense. Any open-minded person who was in either of those rooms would come away knowing that he had been listening to intelligent, serious people actively engaged in figuring out answers to major problems—not throwing sand in the gears of government.

The two Republican congressmen who presented the anti-poverty initiative were Reps. Vin Weber of Minnesota and Bill Gradison of Ohio. Their colleagues and congressional reporters know them to be among the brightest and most hard-working members of the House. But after 26 years of combined service, they are virtually unknown to the country, because neither has ever chaired a committee hearing, managed a major piece of legislation on the House floor or directed an investigation. Those are the perks of the majority party, and for 37 years, the voters have denied those opportunities and responsibilities to the Republicans.

The key figures in the Senate mock-hearing were somewhat more familiar: Senators Phil Gramm of Texas and Bob Kasten of Wisconsin, both key players in the Reaganomics revolution of the early 1980s; House Minority Whip Newt Gingrich of Georgia, a star of C-SPAN; and Secretary of Housing and Urban Development Jack Kemp, their ally inside the Bush administration.

Yet for these folks, too, there is immense frustration in the fact that when domestic policy is set, the action flows between the White House and the congressional Democrats. Congressional Republicans and their ideas are often left on the sideline.

Divided government has many costs, ranging from the protracted impasse of last year's budget summit to the ugly spectacle of the recent Clarence Thomas hearings. But the largest cost is that the country never gets to have more than a fraction of the intellectual and political resources of either political party applied to the problems of the nation.

An important objective of both the Wednesday Group and the Senate GOP Task

Force was to persuade the Bush White House to take a look at new approaches to the stubborn problems of poverty and the sluggish economy. Were President Bush dealing with a Republican Congress, he would have no choice but to consider such views—and every incentive to weigh seriously what congressional Republicans were suggesting.

For these would be the people who would finally shape whatever legislation was passed. And as his ticketmates in the next election, they would share a common interest in seeing that the nations problems we solved.

None of that is true when Republicans are in the minority and Democrats control Congress. The president need not heed advice from congressional Republicans, because they cannot pass any bills. The Democrats can pass bills, but they have no motivation to help make the president a success.

So the system ends up frustrating everyone in it—and serving the country badly. That's why the most critical question for 1992 is not whether the Democrats regain the White House or the Republicans win Congress. The critical objective is to see one party or the other do both—and give this country a government again, not just another set of warring politicians.

Democrats could provide that government if they produce a credible replacement for Bush from their field of presidential candidates. But what I saw on Capitol Hill suggests that Republicans are ready to govern—if given the chance.

EMERGENCY DROUGHT AID

• Mr. SEYMOUR. Mr. President, I am pleased with the passage of the emergency drought bill to meet the critical situation that is plaguing my State of California and the many other Western States.

California is nearing the end of it's fifth and most severe drought year. Loss to agricultural production, decrease in urban supplies, and damage to fish and wildlife resources have been devastating. Another year of drought similar to 1991 will certainly cripple my State economically and cause environmental damage that cannot be repaired for years to come.

There will be no quick fixes short of massive rainfall. The U.S. Bureau of Reclamation has already announced that if the State receives normal rainfall they will most likely deliver only one-half the regular water supply to Federal agricultural customers.

People that I have talked to during my tours of California understand that the only way to survive this drought is to join hands through cooperation and coordination. This can only be accomplished with conservation, sharing, and most important, compromise. The needs of our communities and industries must be carefully balanced with the needs of our environmental resources.

Much of the difficulty in dealing with the drought situation has been the lack of authority and resources available to the Secretary of the Interior to join with the State agencies and others in taking the needed relief actions. The bill as passed will grant to the Secretary authority to implement drought relief measures in consultation with the States, join the State agencies in forming water banks to share the supplies, and allow the use of Federal facilities for non-Federal purposes.

Some aspects of this legislation are particular important:

First, it provides for low-cost loans to build and management water facilities, and to purchase of water to offset the impacts of the drought.

Second, defers payments by Federal contractors to the government, without penalty or additional interest charges, for water not received due to the drought.

Third, gives the Secretary permanent authority to work cooperatively with the involved States in dealing with drought impacts.

Fourth, authorizes the Secretary to use water reservoirs and canals to store and convey non-Federal water to be used for municipal, industrial, and fish and wildlife purposes.

In addition to authorizing the immediate implementation of several much needed provisions, this act directs the Secretary to have in place within 2 years drought contingency plans. These plans will be developed in cooperation with the State, local, and private agencies that manage the water resources and will be consistent with State law. The actions to be carried out under this legislation will greatly enhance the Federal Government's effectiveness in assisting during the current drought and in dealing with future droughts when they occur.

I am pleased with passage of this most important legislation. It is not just California legislation, but reaches into those many States that are suffering now or may suffer in the future from drought.•

HONORING POINTS OF LIGHT

• Mr. KASTEN. Mr. President, all Americans need to take the battle against drug abuse seriously. Illegal drugs are destroying the minds of our young people—wrecking their future and the future of our country.

I am proud to report that there is a group of Wisconsinites who are setting a terrific example for the rest of us. Aid Association for Lutherans [AAL] has established a program called Get Involved Before Your Kids Do. This program teaches parents effective strategies for communicating the dangers of drugs to their children.

Deserving particular praise are Mary Harp-Jirschele, AAL director of public service/information, and Glenn Ocock, vice president of fraternal benefits. They represented AAL at a ceremony in which President Bush honored the AAL program as one of his "thousand points of lights."

This program is indeed a point of light we can all be proud of—lighting the way toward a drug-free future for a generation of young people at risk.

The news article follows:

AAL CITED AS POINT OF LIGHT

Aid Association for Lutherans has once again been honored by President Bush for its drug abuse abatement efforts.

Two representatives from AAL attended a celebration Monday at Disney World in Orlando, Fla., where the Bushes paid tribute to the individuals and organizations selected in the president's "Points of Light" program.

In January 1990 he named the AAL program "Get Involved Before Your Kids Do," as his 49th daily Point of Light.

Representing AAL were Mary Harp-Jirschele, director of public service/information, and Glenn Ocock, vice president of fraternal benefits. Both worked on the "Get Involved" program.

Harp-Jirschele conducted a public relations workshop this week for Points of Light representatives with substance abuse interests.

Monday's luncheon with the president and an evening celebration at the Magic Kingdom were taped for subsequent telecasting on the three major national networks and the Disney Channel.

AAL's "Get Involved" is a two-part program designed to teach parents of elementary and junior high youths how to communicate with their children about the dangers of drugs.

Since its inception in 1987, over 610,000 people have attended workshops in more than 5,000 communities. AAL has invested over $2.5 million in program expenses and volunteers have donated 341,985 hours in its presentation.•

ENTERTAINMENT INDUSTRIES' "MAN OF THE YEAR" FRANK MANCUSO

• Mr. D'AMATO. Mr. President, I rise today to pay tribute to Frank G. Mancuso, whose long and outstanding career with Paramount Pictures was climaxed by his tenure as chairman and chief executive officer of the company. This month Mr. Mancuso is to be honored as "Man of the Year" by the Film Group of UJA-Federation's Entertainment Industries Division.

Frank G. Mancuso's outstanding qualities of enlightened leadership and innovation brought unprecedented success to Paramount Pictures, the company with which he has been associated for 30 years. His great success is readily available in the areas of motion pictures, television, and home video. Mr. Mancuso's other associations and affiliations are not as well known but are worthy of commendation. They include: outstanding board member of the Academy of Motion Picture Arts and Sciences; the Motion Picture Association of America; Variety Clubs International; the Will Rogers Memorial Fund, affiliated with the New York - Cornell Medical Center; Sundance Institute; the Museum of Broadcasting and the Motion Picture Pioneers; as well as the American Film Industries Second Decade Council of which he is the chairman.

Born in Buffalo, NY, Frank Mancuso has been a New Yorker all of his life

except for two very short stints, one in Canada and one in Los Angeles. He entered the motion picture business in 1959 as buyer and operations supervisor for Basil Enterprises. He stayed for 4 years, then started with Paramount Pictures in Buffalo as a booker. From there, Mr. Mancuso quickly advanced from branch manager to vice president and general sales manager of Paramount in Canada, then he became western division manager in Los Angeles, then general sales manager in New York, then executive vice president of distribution and marketing, then president of Paramount's Motion Picture Group, and finally chairman and chief executive officer of Paramount Pictures; all in 20 years.

His business accomplishments are great, his approach is philanthropic, and we might say that Frank G. Mancuso is the salt of the earth. He has done much for the motion picture industry and for New York State. It is no wonder that the UJA-Federation has selected him as "Man of the Year." Frank, I salute you and wish you much health and happiness in the days to come.●

MORRIS SIEGEL INDUCTED INTO THE WASHINGTON HALL OF STARS

● Mr. DODD. Mr. President, on November 3 the city of Washington, DC, will unveil another monument. This time, happily, it will honor a living legend. Morris "Mo" Siegel will be inducted into the Hall of Stars and his name will be permanently displayed on a banner at RFK Stadium alongside most of the prominent sports figures he has covered in his 44 years here.

Mr. President, Morrie Siegel is a sports journalist. Actually, he would probably be insulted to be referred to as a sports journalist. He is a newspaperman who covers sports and he is a good one. I am one who has always thought the best newspaper writing is to be found in the sports pages of our Nation's newspapers. And I have always believed that Morrie ranks with the best of all writers.

Morrie's writing is lean and spare. Like Hemingway, he writes in clear simple prose without needless embellishments. He reports the facts and tells the truth as he knows it to be. His sources are numerous and impeccable. He comes from the old school of reporting that says get the facts accurately and get them early into your story. He decries the fact that sports fans today have to read six or seven paragraphs into a column before they find out who won the game.

Morrie began writing sports while he was a student at Emory University. He wrote for the Atlanta Constitution and then moved to Richmond where he worked for the Times-Dispatch. He then moved north to Washington where he worked for all of the city's great newspapers, the Daily News, the Washington Star, and the Washington Post.

When I was a teenager here I remember seeing him on television on channel 9. He was not your usual television sportscaster. But his unruly hair, his disheveled appearance and his gutteral growling voice quickly captured your attention. He looked and sounded like a classic newspaperman.

But to see Siegel at his best is to be with him at lunch at his pal Duke Ziebert's Restaurant or at dinner at Bobby Abbo's Roma Restaurant. There he will regale you with stories of all your sports heroes. DiMaggio, Robinson, Williams, Mantle, Lombardi, Jurgensen, Kilmer, are all brought to real life by Morrie's recounting their prodigous feats both on the playing field and off.

His marvelous ability to tell a story is not limited to sports figures. He will have you in tears laughing at the tales of celebrities, writers, saloon keepers, bookmakers, bettors, lawyers, Supreme Court Justices, and yes, Mr. President, even Presidents and politicians. Like his writing, his stories are witty, caustic, and cynical, but never mean-spirited.

This is a man who reveres his profession and believes in it passionately. He is also concerned that today's sportscasters are sacrificing precision and substance for image.

I remember watching a football game with Morrie and hearing the announcer say, "For those of you who might have just tuned in, the score is Washington 17, the New York Giants 14." He turned to me and said, "Let me ask you, CHRIS. Would the score have been any different if you had not just tuned in?" I remember this as just one small example of his passion for truth, precision, and clarity.

A few weeks ago Morrie received the Vincent T. Lombardi Symbol of Courage Award from the Cancer Center at Georgetown University. This prestigious award is given annually to a "person in the world of sports who has suffered cancer, and possesses those qualities which made Coach Lombardi an inspiration to all people—dependability, courage, honor, and discipline." On hand at the ceremony were his ex-wife Myra MacPherson, a noted writer herself, their children, Michael, a press secretary in the House of Representatives, and Leah, who works in television news in Charlotte, NC.

Thankfully, he is winning the battle with cancer, and those of us who appreciate his talent can still read his columns and see him on television. And just as important, we can still have lunch and dinner with him.●

REQUESTING A HALT IN THE FORCED RETURN OF HAITIAN NATIONALS IN THE UNITED STATES

● Mr. D'AMATO. Mr. President, I rise to cosponsor Senate Concurrent Resolution 71, calling on the Attorney General of the United States to temporarily halt the forced return of Haitian nationals in the United States during the present crisis in Haiti.

Having overthrown the constitutional democracy of Haiti, the military junta has brazenly and illegally displaced the rightful President, Jean-Bertrand-Aristide. This flagrant act of disregard for the wishes of the Haitian people must be reversed and President Aristide returned to power. Haitians have lived long enough under the boot of totalitarianism.

In October, when I met President Aristide, I expressed my support for his reinstatement to power in Haiti. He is an outspoken reformist who is deeply committed to democracy. He needs and deserves our support. The Haitian people also need and deserve our support. We cannot now force Haitian nationals wishing to remain in the United States to return to life under harsh totalitarian rule. Let us do what is right and just and allow Haitian nationals to remain here.

I supported Senate Resolution 186 calling for the immediate reinstatement of the legitimate government of President Jean-Bertrand-Aristide and that all appropriate actions be taken to restore democratic government in Haiti. Again, I chose to stand with the Haitian people. They need our help and they deserve our help. Therefore, I support Senate Concurrent Resolution 71 protecting Haitian nationals who do not want to return to dictatorship.

Let us do what is right and allow them to remain here in freedom. Their forced return to Haiti would be a recipe for their death.●

THE 60TH ANNIVERSARY OF REV. MSGR. JOHN LODGE McHUGH

● Mr. D'AMATO. Mr. President, I rise today to recognize an outstanding clergyman, Msgr. John Lodge McHugh of Buffalo, NY. The monsignor is celebrating his 60th anniversary of his ordination to the Roman Catholic priesthood.

Monsignor McHugh is the founding pastor of St. Amelia Parish in Tonawanda, NY. The parish includes a large parish school, a rectory, a convent, and a church. The monsignor served as pastor at St. Amelia's from the beginning of the parish in the fall of 1953 until his retirement on July 31, 1982. He still resides at St. Amelia's and assists in the parish duties today.

John Lodge McHugh was born on Sunday, St. Patrick's Day, 1907, in St. Louis, MO. When John was 6 years old the family moved to Buffalo, NY. He

attended Canisius High School and Canisius College. He received a bachelor of arts degree in June of 1928. In September that year, he entered Our Lady of Angels Seminary at Niagara University and received a master of arts degree.

On December 19, 1931, John Lodge McHugh was ordained to the holy priesthood by Bishop William Turner, D.D. His first assignment was St. Joseph's Cathedral in Buffalo. He was chaplain to the Knights of Columbus and the Columbian Squires and organized the Catholic Lawyers Guild. On December 11, 1947, he was appointed secretary to Bishop John F. O'Hara, CSC. On January 20, 1948, he became private chamberlain to His Holiness, Pope Pius XII, where he stayed until his appointment to St. Amelia's on September 5, 1953.

Rev. Msgr. John Lodge McHugh has had a long, distinguished, career in the priesthood and I commend him.●

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration, en bloc, of Calendar Nos. 287, 288, 289, 290, 291, 293, 294, 295, 296, 297, 298, and 299, that the resolutions be read a third time and passed; that the motion to reconsider be laid upon the table, en bloc; that the preambles be agreed to, and that the amendment to the preamble, where appropriate, be agreed to; further that any statements relating to these calendar items appear at the appropriate place in the RECORD, and that the consideration of these items appear individually in the RECORD.

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

KENTUCKY BICENTENNIAL DAY

The joint resolution (S.J. Res. 61) to designate June 1, 1992, as "Kentucky Bicentennial Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 61

Whereas on June 1, 1792, President Washington signed a proclamation admitting Kentucky as the Fifteenth State of the Union, separating Kentucky from the Commonwealth of Virginia;

Whereas for two centuries, the people of Kentucky have made substantial contributions to the economic and social wellbeing of the United States of America;

Whereas the State of Kentucky has become a national leader in agriculture, natural resource industries, and manufacturing;

Whereas beautiful mountains, lakes, trees, and farms of the State of Kentucky are appreciated and preserved, and the quality of life is unsurpassed;

Whereas the history of Kentucky is associated with the history of westward expansion as Daniel Boone and others opened the frontier by clearing the Wilderness Road through the Appalachian Mountains;

Whereas Kentucky is the birthplace of both Union President Abraham Lincoln and Confederate President Jefferson Davis, thus symbolizing the State's dualistic role in the Civil War;

Whereas Kentucky is the Nation's largest producer of coal and burley tobacco;

Whereas Kentucky is the home of Dr. Ephraim McDowell, the first physician to perform internal surgery west of the Allegheny Mountains, and whose statue now graces the United States Capitol;

Whereas Kentucky is home to the thoroughbred horse industry and the world's most celebrated horse race, the Kentucky Derby, held in Louisville;

Whereas bluegrass music originated in Kentucky, the Bluegrass State", and continues to be a favorite pastime of many Kentuckians;

Whereas Kentucky is the home of "The Great Compromiser", Henry Clay, United States Senator, Speaker of the House of Representatives, and Secretary of State, as well as the home of the twelfth United States President, Zachary Taylor, and four United States Vice Presidents, Richard M. Johnson, John Cabell Breckinridge, Adlai Stevenson, and Alben W. Barkley;

Whereas Kentucky is home to the 101st Airborne Division at Fort Campbell and the Army Armor Center and School at Fort Knox, where the world's largest gold depository is maintained; and

Whereas Kentucky, which represents the ideal in outdoor recreation and maintains one of the Nation's most outstanding State park systems, is home to the only park of its kind, the Kentucky Horse Park in Lexington: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That June 1, 1992, is designated as "Kentucky Bicentennial Day", and the President is authorized and requested to issue a proclamation calling upon the people of Kentucky and the United States to observe such day with appropriate ceremonies and activities.

NATIONAL HOME CARE WEEK

The joint resolution (S.J. Res. 81) to designate the periods commencing on December 1, 1991, and ending on December 7, 1991, and commencing on November 29, 1992, and ending on December 5, 1992, as "National Home Care Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The amendment to the preamble was agreed to.

The preamble, as amended, was agreed to.

S.J. RES. 81

Whereas organized home care services to the elderly and disabled have existed in the United States since the last quarter of the 18th century;

Whereas home care is an effective and economical alternative to unnecessary institutionalization;

Whereas caring for the ill and disabled in their homes places emphasis on the dignity and independence of the individual receiving these services;

Whereas since the enactment of the Medicare home care program, which provides coverage for skilled nursing services, physical therapy, speech therapy, social services, occupational therapy, and home health aide services, the number of home care agencies in the United States providing these services has increased from fewer than 1,275 to more than 12,000; and

Whereas many private and charitable organizations provide these and similar services to millions of individuals each year preventing, postponing, and limiting the need for them to become institutionalized to receive these services: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the periods commencing on December 1, 1991, and ending on December 7, 1991, and commencing on November 29, 1992, and ending on December 5, 1992, are designated as "National Home Care Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such weeks with appropriate ceremonies and activities.

NATIONAL PHILANTHROPY DAY

The joint resolution (S.J. Res. 96) to designate November 19, 1991, as "National Philanthropy Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 96

Whereas there are more than 800,000 nonprofit philanthropic organizations in the United States;

Whereas such organizations employ more than 10,000,000 persons, including approximately 4,500,000 volunteers;

Whereas the people of the United States contributed approximately $114,000,000,000 in 1989 to support such organizations;

Whereas philanthropic organizations are responsible for enhancing the quality of life of people throughout this Nation and the world;

Whereas the people of this Nation owe a great debt to the schools, churches, museums, art and music centers, youth groups, hospitals, research institutions, community service institutions, and organizations that aid and comfort the disadvantaged, sick, and elderly; and

Whereas the people of the United States should demonstrate gratitude and support for philanthropic organizations and for the efforts, skills, and resources of the people who carry out the missions of such organizations: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 19, 1991, is designated as "National Philanthropy Day" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that day with appropriate programs, ceremonies, and activities.

NATIONAL WOMEN VETERANS RECOGNITION WEEK

The joint resolution (S.J. Res. 145) designating the week beginning November 10, 1991, as "National Women Veterans Recognition Week", was con-

sidered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 145

Whereas there are more than 1,200,000 women veterans in the United States representing 4.2 percent of the total veteran population;

Whereas the number of women serving in the United States Armed Forces and the number of women veterans continue to increase;

Whereas women veterans have contributed greatly to the security of the United States through honorable military service, often involving great hardship and danger;

Whereas women are performing a wider range of tasks in the United States Armed Forces, as demonstrated by the participation of women in the military actions taken in Panama and the Persian Gulf region;

Whereas the special needs of women veterans, especially in the area of health care, have often been overlooked or inadequately addressed by the Federal Government;

Whereas the lack of attention to the special needs of women veterans has discouraged or prevented many women veterans from taking full advantage of the benefits and services to which they are entitled; and

Whereas designating a week to recognize women veterans will help both to promote important gains made by women veterans and to focus attention on the special needs of women veterans: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning November 10, 1991, is designated as "National Women Veterans Recognition Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe that week with appropriate ceremonies and activities.

Mr. CRANSTON. Mr. President, as the chairman of the Committee on Veterans' Affairs, I rise to urge my colleagues to give their unanimous approval to the pending matter, Senate Joint Resolution 145, a joint resolution which I authored to designate November 10 through 16, 1991, as National Women Veterans Recognition Week. The measure is substantively the same as House Joint Resolution 242, which was introduced in the House of Representatives by Representative MICHAEL BILIRAKIS on May 2, 1991.

For the past 7 years, I have sponsored legislation designating a week near Veterans Day as National Women Veterans Recognition Week. I am proud to have sponsored this legislation for so many years and am equally proud of the strong bipartisan support it has received from my colleagues in the Senate. This year's resolution is cosponsored by 32 Democrats and 21 Republicans.

Mr. President, the goals of designating a week to recognize and honor women veterans are twofold: To increase the public's awareness of the accomplishments of women in the Armed Forces and to make women veterans more aware of the many benefits available to them because of their service. Women veterans comprise approximately 4.2 percent of the total veteran population, a percentage that is growing as the percentage of women in the active military—currently at a record 12 percent—continues to rise. These women, who served with honor, skill, and dedication, are a group of veterans who have too often been underestimated, forgotten, or ignored. We must reverse this perception and recognize the historical and growing contributions of women veterans to our national defense. As demonstrated during the past year by the more than 30,000 women who have served in the Persian Gulf region, women are performing a wide range of tasks vital to the Armed Forces and are clearly an integral part of the All-Volunteer Force.

Because many women veterans are not aware of the various benefits to which they may be entitled, such as health care, educational assistance, employment services, and home loan guaranties, they often do not apply for them. We have a responsibility to inform women veterans of these benefits in order to ensure that they receive all the assistance and services to which they are entitled. We must ensure that they are provided equal and appropriate services, particularly in the area of health care, where there are important differences between the needs of men and women veterans. With reference to this issue, in September 1990, I asked the General Accounting Office to undertake a review of women veterans' access to VA health-care services and the quality of care furnished to them. This review will evaluate VA's actions to implement recommendations issued by GAO upon its completion of a 1982 study of women veterans' access to VA benefits and services. I anticipate receiving the updated report in the near future and plan to follow up on any deficiencies that may be identified.

Mr. President, the resolution designating the week of November 10 as National Women Veterans Recognition Week will continue the momentum built over the last 7 years to call attention to this important but often overlooked group of veterans. I thank my colleagues for supporting this resolution.

HIRE A VETERAN WEEK

The joint resolution (S.J. Res. 157) to designate the week beginning November 10, 1991, as "Hire a Veteran Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 157

Whereas the people of the United States have a deep appreciation and respect for the men and women who serve the United States though service in the Armed Forces;

Whereas many veterans possess special qualities and skills that make them ideal candidates for employment;

Whereas may veterans encounter difficulties in securing employment despite these special qualities and skills; and

Whereas the Department of Veterans affairs, the Department of Labor, the Office of Personnel Management, and many State and local governments administer veterans programs and have veterans employment representatives to ensure that veterans receive the services to which they are entitled and to promote employer interest in hiring veterans: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week beginning November 10, 1991, is hereby designated as "Hire a Veteran week", and the President is authorized and requested to issue a proclamation calling upon employers, labor organizations, veterans' service organizations, and Federal, State, and local governmental agencies to lend their support to the campaign to increase employment of the men and women who have served the United States through service in the Armed Forces.

NATIONAL AMYOTROPHIC LATERAL SCLEROSIS AWARENESS MONTH

The joint resolution (S.J. Res. 174) designating the month of May 1992 as "National Amyotrophic Lateral Sclerosis Awareness Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 174

Whereas over 300,000 people alive today will eventually die from Amyotrophic Lateral Sclerosis ("ALS"), commonly known as "Lou Gehrig's Disease", which afflicts the motor/neuron system of the human body;

Whereas at least 5,000 people will be diagnosed this year as having ALS, or an average of 13 cases per day;

Whereas there is still no known cause or cure for ALS despite the fact that the disease was discovered in 1869;

Whereas victims of this disease may lose total movement of their arms, legs, fingers, and toes, as well as the ability to speak, swallow, or breathe;

Whereas ALS patients have an average life expectancy of between 2 and 5 years after being diagnosed as having the disease;

Whereas wheelchairs, respirators, and feeding tubes are often necessary to assist those who outlive the average life expectancy;

Whereas the National Institutes of Health have found that victims of ALS are increasingly younger, with many in their 20's and 30's, and some mere teenagers;

Whereas ALS strikes people regardless of race, sex, age, or ethnicity;

Whereas the number of male victims of ALS under the age of 50 equals the number of female victims, but over the age of 50, male victims outnumber female victims by a ratio of 3 to 1;

Whereas finding the causes of, and the cure for, ALS will prevent the disease from robbing hundreds of thousands of Americans of their dignity and lives;

Whereas 1992 marks the 51st anniversary of the death of one of America's greatest baseball players, Lou Gehrig, for whom the disease was named; and

Whereas raising public awareness of this disease will facilitate the discovery of a cure: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of Ameria in Congress assembled, That the month of May 1992, is designated as "National Amyotrophic Lateral Sclerosis Awareness Month". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate programs and activities.

NATIONAL WOMEN IN AGRICULTURE DAY

The joint resolution (S.J. Res. 176) to designate March 19, 1992 as "National Women in Agriculture Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, as as follows:

S.J. RES. 176

Whereas women hold important leadership positions within the American agriculture system, a system with a level of efficiency that leads the world;

Whereas women are full working partners on the family farm;

Whereas the family farm offers the best means of ensuring the protection of our natural resources as well as guaranteeing future generations of Americans as abundant and safe supply of food; and

Whereas the public should be aware of the contributions made by women in the American agricultural system to the health and prosperity of all Americans: Now, therefore, be it

Resolved by the Senate and House Representatives of the United States of America in Congress assembled, That March 19, 1992, is designated as "National Women in Agricultural Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

GEOGRAPHY AWARENESS WEEK

The joint resolution (S.J. Res. 180) designating December 1, through 7, 1991, as "Geography Awareness Week," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 180

Whereas geography is the study of people, their environments, and their resources;

Whereas the United States is a truly unique Nation with diverse landscapes, bountiful resources, a distinctive multiethnic population, and a rich cultural heritage, all of which contribute to the status of the United States as a world power;

Whereas the leadership of the United States in world affairs is threatened by a lack of understanding of the locations and significance of historic changes occurring around the globe;

Whereas a knowledge of geography provides a "Window on a Changing World" and a way in which to understand events and their impact on the United States;

Whereas the United States is a Nation of worldwide involvements and influence, the responsibilities of which demand an understanding of the lands, languages, and cultures of the world;

Whereas geography today offers perspectives and information in understanding ourselves, our relationship to the Earth, and our interdependence with other peoples of the world;

Whereas the first federally funded National Assessment of Educational Progress survey revealed a "disturbing geography knowledge gap" among 12th graders in the United States;

Whereas this survey also indicated that many students did not know that the Mississippi River flows into the Gulf of Mexico, or that the Panama Canal shortens sailing time between the east and west coasts of the United States, nor could they identify Jerusalem on a regional map, or name the three oceans moving east around the globe from Africa;

Whereas departments of geography are being eliminated from institutes of higher learning in the United States, thus endangering the discipline of geography in this country;

Whereas, while geography as a distinct discipline has virtually disappeared from the curricula of schools in the United States, it is still being taught as a basic subject in other countries, including the United Kingdom, Canada, Japan, and the Soviet Union;

Whereas an ignorance of geography, foreign languages, and cultures places the United States at a disadvantage with other countries in matters of business, politics, the environment, and global events;

Whereas one-third of adults in the United States cannot name four of the sixteen North Atlantic Treaty Organization members nations, and another one-third cannot name any; and

Whereas national attention must be focused on the integral role that knowledge of world geography plays in preparing citizens of the United States for the future of an increasingly interdependent, interconnected, and rapidly changing world: Now, therefore, be it

Resolved by the Senate and House of Repesentatives of the United States of America in Congress assembled, That the week of December 1 through 7, 1991, is designated as "Geography Awareness Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week with appropriate ceremonies and activities.

NATIONAL RED RIBBON MONTH

The joint resolution (S.J. Res. 188) designating November 1991, as "National Red Ribbon Month," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 188

Whereas the most frequently committed crime in America is drunk driving;

Whereas each year on our Nation's highways more than forty-five thousand people lose their lives due to auto crashes, approximately half of these involving alcohol;

Whereas more than three hundred and forty-five thousand people are injured in alcohol-related crashes each year;

Whereas Mothers Against Drunk Driving (MADD) is an organization of nearly three million members and supporters across the Nation which has had a major impact on reducing death on our highways;

Whereas in November 1991 MADD will launch a major holiday public awareness compaign by asking America to "Tie One On For Safety" this holiday season; and

Whereas beginning in November MADD and other concerned groups will distribute more than ninety million red ribbons nationwide to create awareness about the dangers of drinking and driving: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 1991 is designated as "National Red Ribbon Month", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the month with appropriate activities devoted to reducing death and injury on our Nation's highways due to drinking and driving.

NATIONAL MILITARY FAMILIES RECOGNITION DAY

The joint resolution (S.J. Res. 197) acknowledging the sacrifices that military families have made on behalf of the Nation and designating November 25, 1991, as "National Military Families Recognition Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 197

Whereas the Congress recognizes and supports the Department of Defense policies to recruit, train, equip, retain, and field a military force that is capable of preserving peace and protecting the vital interests of the United States and its allies;

Whereas the people of the United States are particularly indebted to and respectful of the family members of the more than 500,000 military personnel activated for Operation Desert Shield and Operation Desert Storm;

Whereas military families shoulder the responsibility of providing emotional support for their service members;

Whereas, in times of war and military action, military families have demonstrated their patriotism through their steadfast support and commitment to the Nation;

Whereas the emotional and mental readiness of United States military personnel around the world is tied to the well-being and satisfaction of their families;

Whereas the quality of life that the Armed Forces provide to military families is a key factor in the retention of military personnel;

Whereas the people of the United States are truly indebted to military families for facing adversities, including extended separations from their service members, frequent household moves due to reassignments, and restrictions on their employment and educational opportunities;

Whereas 74 percent of officers and 53 percent of enlisted personnel in the Armed Forces are married;

Whereas families of active duty military personnel (including individuals other than

spouses or children) account for more than 2,770,000 of the more than 4,841,000 in the active duty community, and spouses and children of members of the Reserves in paid status account for more than 1,317,000 of the more than 2,346,000 in the Reserves community;

Whereas spouses, children, and other dependents living abroad with members of the Armed Forces total nearly 487,000, and these family members at times face feelings of cultural isolation and financial hardship; and

Whereas military families are devoted to the overall mission of the Department of Defense and have accepted the role of the United States as the military leader and protector of the free world: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the Congress acknowledges and appreciates the commitment and devotion of present and former military families and the sacrifices that the families have made on behalf of the Nation; and

(2) November 25, 1991, is designated as "National Military Families Recognition Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate programs, ceremonies, and activities.

DUTCH-AMERICAN HERITAGE DAY

The joint resolution (S.J. Res. 206) to designate November 16, 1991, as "Dutch-American Heritage Day," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 206

Whereas, on November 16, 1776, the batteries at the Dutch port of St. Eustatius fired the first salute to the flag of the newly independent United States;

Whereas the firing by the Dutch of the first salute to the flag of the United States uplifted the morale and determination of the individuals who were fighting for American independence;

Whereas commemoration of Dutch-American Heritage Day provides an opportunity for approximately 8,000,000 Dutch-Americans to celebrate their Dutch roots and the extraordinary contributions their ancestors made to the political, economic, and cultural development of the United States; and

Whereas commemoration of Dutch-American Heritage Day promotes awareness by the people of the United States of the essential role performed by the Dutch people in securing American independence and in aiding the development of the United States for the past 215 years: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 16, 1991, is designated as "Dutch-American Heritage Day", and the President is authorized and requested to issue a proclamation calling on the people of the United States to observe the day with appropriate programs, ceremonies, and activities.

YEAR OF THE AMERICAN INDIAN

The joint resolution (S.J. Res. 217) to authorize and request the President to proclaim 1992 as the "Year of the American Indian," was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 217

Whereas American Indians are the original inhabitants of the lands that now constitute the United States of America;

Whereas American Indian governments developed the fundamental principles of freedom of speech and the separation of powers in government, and these principles form the foundation of the United States Government today;

Whereas American Indian societies exhibited a respect for the finite quality of natural resources through deep respect for the Earth, and such values continue to be widely held today;

Whereas American Indian people have served with valor in all wars that the United States has engaged in, from the Revolutionary War to the conflict in the Persian Gulf, often serving in greater numbers, proportionately, than the population of the Nation as a whole;

Whereas American Indians have made distinct and important contributions to the United States and the rest of the world in many fields, including agriculture, medicine, music, language, and art;

Whereas it is fitting that American Indians be recognized for their individual contributions to American society as artists, sculptors, musicians, authors, poets, artisans, scientists, and scholars;

Whereas the five hundredth anniversary of the arrival of Christopher Columbus to the Western Hemisphere is an especially appropriate occasion for the people of the United States to reflect on the long history of the original inhabitants of this continent and appreciate that the "discoverees" should have as much recognition as the "discoverer";

Whereas the peoples of the world will be refocusing with special interest on the significant contributions that American Indians have made to society;

Whereas the Congress believes that such recognition of their contributions will promote self-esteem, pride, and self-awareness in American Indians young and old; and

Whereas 1992 represents the first time that American Indians will have been recognized through the commemoration of a year in their honor: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That 1992 is designated as the "Year of the American Indian". The President is authorized and requested to issue a proclamation calling upon Federal, State, and local governments, interested groups and organizations, and the people of the United States to observe the year with appropriate programs, ceremonies, and activities.

NATIONAL JOB SKILLS WEEK

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 292, Senate Joint Resolution 164, designatiing National Job Skills Week.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 164), designating the weeks of October 27, 1991, through November 2, 1991, and October 11, 1992 through October 17, 1992, each separately, as National Job Skills Week.

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

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

AMENDMENT NO. 1303

Mr. MITCHELL. Mr. President, I send an amendment to the desk on behalf of Senator GORE, designating National Job Skills Week, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Maine [Mr. MITCHELL], for Mr. GORE, proposes an amendment numbered 1303.

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

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

The amendment is as follows:

On page 2, lines 3 and 4, strike "October 27, 1991, through November 2, 1991," and insert in lieu thereof: "December 8, 1991, through December 14, 1991,".

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Tennessee.

The amendment (No. 1303) was agreed to.

Mr. GORE. Mr. President, Senate Joint Resolution 164 designates the week of December 8 through 14, 1991, and the week of October 11, 1992, through October 17, 1992, as National Job Skills Week.

Mr. President, I would like to thank Chairman BIDEN and the Committee on the Judiciary for bringing the National Job Skills Week resolution (S.J. Res. 164) to the Senate floor and helping get it passed. I believe that technological achievements play a prominent role in advancing the United States' economy. National Job Skills Week focuses national attention on the changing needs of employers and workers. It raises the profile of private and public job-training efforts and promotes thorough examinations of promising technology and management developments. Thank you, Mr. President.

The PRESIDING OFFICER. The joint resolution will be engrossed for a third reading, deemed read a third time and passed.

The preamble was agreed to.

The joint resolution, and the preamble, are as follows:

S.J. RES. 164

Whereas the ability to maintain an internationally competitive and productive economy and a high standard of living depends on the development and utilization of new technologies;

Whereas new technologies require skills that are currently unavailable in the national workforce;

Whereas experts in both the public and private sectors predict that a shortage of skilled entry-level workers will exist through the remainder of this century;

Whereas young people in the United States are experiencing higher than normal unemployment rates because many of them lack the skills necessary to perform the entry-level jobs that are currently available;

Whereas these young people will continue to experience higher than normal unemployment rates unless they develop the skills necessary to perform the entry-level jobs that become available;

Whereas American workers who face dislocation due to plant closures and industrial relocation need special training and education to prepare for new jobs and new opportunities; and

Whereas a National Job Skills Week can serve to focus attention on present and future workforce needs, to encourage public and private cooperation in job training and educational efforts, and to highlight the technological changes underway in the workplace; Now, therefore be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the weeks of December 8, 1991, through December 14, 1991, and October 11, 1992, through October 17, 1992, are each separately designated as "National Job Skills Week". The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such weeks with appropriate ceremonies and activities.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

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

The motion to lay on the table was agreed to.

Mr. MITCHELL. Mr. President, in behalf of Senator Gore, I send a title amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

Amend the title so as to read:

"Designating the weeks of December 8, 1991, through December 14, 1991, and October 11, 1992, through October 17, 1992, each separately as "National Job Skills Week".".

The PRESIDING OFFICER. The question is on agreeing to the amendment to amend the title.

The amendment was agreed to.

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

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

The motion to lay on the table was agreed to.

HOUSE JOINT RESOLUTION 140—"NATIONAL PHILANTHROPY DAY"

HOUSE JOINT RESOLUTION 177—"DUTCH-AMERICAN HERITAGE DAY"

HOUSE JOINT RESOLUTION 280—"HIRE A VETERAN WEEK"

HOUSE JOINT RESOLUTION 175—"NATIONAL HOME CARE WEEK"

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed en bloc to the immediate consideration of the following joint resolutions just received from the House: House Joint Resolutions 140, 177, 280, and 175; that the resolutions be deemed to have been read a third time and passed, en bloc; that the motion to reconsider the passage of these resolutions be laid upon the table, en bloc; that the preambles be agreed to; and, further, that the consideration of these items appear separately in the RECORD.

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

The joint resolution (H.J. Res. 140) was deemed read a third time and passed.

The preamble was agreed to.

The joint resolution (H.J. Res. 177) was deemed read a third time and passed.

The preamble was agreed to.

The joint resolution (H.J. Res. 280) was deemed read a third time and passed.

The preamble was agreed to.

The joint resolution (H.J. Res. 175) was deemed read a third time and passed.

The preamble was agreed to.

ORDER OF JUNE 19, 1991, VITIATED

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order of June 19, 1991, relative to S. 1204 be vitiated.

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

UNANIMOUS-CONSENT AGREEMENT—PERTAINING TO CORRECTING ENGROSSMENT OF S. 1745

Mr. MITCHELL. Mr. President, I ask unanimous consent that following the disposition of the nomination of Robert Gates on Tuesday evening, November 5th, the majority leader be recognized to seek unanimous consent to correct the engrossment of S. 1745 and, if an objection is raised to granting a consent for the correction, the Senate proceed to the immediate consideration of a Senate resolution, notwithstanding the provisions of rule XXII, that has been filed at the desk by the Republican leader; that no amendments or motions be in order to the resolution; that there be 30 minutes of debate equally divided and controlled between Senators ADAMS and DOLE; and that, at the conclusion or yielding back of time, the Senate proceed to vote without any intervening action or debate on the adoption of the resolution.

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

Mr. DOLE. Mr. President, I send the resolution to the desk.

COMPREHENSIVE DEPOSIT INSURANCE REFORM AND TAXPAYER PROTECTION ACT OF 1991

Mr. MITCHELL. Mr. President, I inquire of the Republican leader if I am correct in stating that he is not in a position to give consent to proceed to S. 543, the Comprehensive Deposit Insurance Reform and Taxpayer Protection Act of 1991?

Mr. DOLE. No. I must say that personally I wish we could proceed to it, but I am not in a position to give that consent.

CLOTURE MOTION

Mr. MITCHELL. Mr. President, in view of this, I now move to proceed to Calendar No. 245, S. 543, and send to the desk a cloture motion on the motion to proceed to S. 543.

The PRESIDING OFFICER. The clerk will read the cloture motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the motion to proceed to the consideration of S. 543, the Comprehensive Deposit Insurance Reform and Taxpayer Protection Act of 1991:

Albert Gore,
John D. Rockefeller,
Don Riegle,
Christopher Dodd,
Richard H. Bryan,
Claiborne Pell,
Jim Sasser,
Tim Wirth,
J. Lieberman,
Harry Reid,
Thomas Daschle,
Max Baucus,
George Mitchell,
Nancy L. Kassebaum,
Pete Domenici,
Bob Dole.

Mr. MITCHELL. Mr. President, I now withdraw the motion to proceed to S. 543.

The PRESIDING OFFICER. The motion is withdrawn.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the required live quorum be waived.

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

ORDERS FOR MONDAY, NOVEMBER 4, 1991

Mr. MITCHELL. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11:30 a.m. on Monday, November 4; that following the prayer the Journal of proceedings be deemed approved to date; that following the time for the two leaders there be a period for morning business not to extend beyond 12 noon, with Senators permitted to speak therein for up to 10 minutes each.

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

PROGRAM

Mr. MITCHELL. Mr. President, I remind Senators that on Monday at 12 noon, by a previous order, the Senate will turn to the consideration of the nomination of Robert Gates to be Director of the CIA, with a vote scheduled to occur on Tuesday, November 5, not prior to 2:15 p.m. but not later than 6 p.m. Therefore, Mr. President, the next rollcall vote will occur on Tuesday between 2:15 p.m. and 6 p.m.

As matters now stand, Mr. President, also for the information of Senators, immediately after that vote, we will proceed to the resolution of the distinguished Republican leader with 30 minutes, a maximum of 30 minutes of debate scheduled, to be controlled by Senator DOLE and Senator ADAMS, and that if necessary a vote will occur on that resolution. That will be on Tuesday evening. And then finally, the cloture vote on the motion to proceed to the banking reform bill which has just been filed will then occur after that vote.

So as of now we have the certainty of one vote and the potential of three votes on Tuesday: on the Gates nomination, on the resolution of the distinguished Republican leader with respect to the Wards Cove case, and on the cloture motion on the motion to proceed to the banking reform bill.

RECESS UNTIL MONDAY, NOVEMBER 4, 1991, AT 11:30 A.M.

Mr. MITCHELL. Mr. President, if there is no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess as previously ordered.

There being no objection, the Senate, at 5:01 p.m., recessed until Monday, November 4, 1991, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate November 1, 1991:

DEPARTMENT OF ENERGY

THE FOLLOWING NAMED PERSONS TO BE ASSISTANT SECRETARIES OF ENERGY:

LEO P. DUFFY, OF PENNSYLVANIA, (ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT), VICE DONNA R. FITZPATRICK, RESIGNED.

JAMES G. RANDOLPH, OF OKLAHOMA, (FOSSIL ENERGY), VICE ROBERT H. GENTILE, RESIGNED.

GREGG WARD, OF VIRGNINA, (CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS), VICE JACQUELINE KNOX BROWN, RESIGNED.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 1, 1991:

DEPARTMENT OF STATE

JILL E. KENT, OF THE DISTRICT OF COLUMBIA, TO BE CHIEF FINANCIAL OFFICER, DEPARTMENT OF STATE.

EXECUTIVE OFFICE OF THE PRESIDENT

MICHAEL H. MOSKOW, OF ILLINOIS, TO BE A DEPUTY U.S. TRADE REPRESENTATIVE, WITH THE RANK OF AMBASSADOR.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE ON THE SENATE.