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PROCEEDINGS AND DEBATES OF THE 102d CONGRESS, FIRST SESSION

SENATE—*Wednesday, February 6, 1991*

(Legislative day of Thursday, January 3, 1991)

The Senate met at 1 p.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. BYRD].

The PRESIDENT pro tempore. The Senate will be led in prayer today by the Senate Chaplain, the Reverend Dr. Richard C. Halverson. Dr. Halverson.

PRAYER

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

Let us pray:

Blessed is the nation whose God is the Lord * * *—Psalm 33:12.

Patient God, gracious Heavenly Father, the preacher said, "We have never been better prepared militarily for war in the history of our Nation—but we have never been less prepared morally and spiritually." Forgive us, Lord, for abandoning our roots, for forgetting the incredible legacy left us by a generation who took God seriously. We choose to ignore Thee, God, to live as though Thou art irrelevant and unimportant. And we wonder why the problems of crime, divorce, suicide, chemical addiction grow. We equate liberty with license, demand rights without responsibility, choice without consequences, pleasure without pain, forgetting that "self-evident" truth, fundamental to our Bill of Rights: "All men are created equal and are endowed by their Creator with certain unalienable rights * * *."

Gracious God, may the tragedy of war awaken us to the values and virtues which our forebears, who took God seriously, built into our political system. Help us hear the words of President Lincoln, "Our reliance is in the love of liberty which God has planted in our bosoms." Help us answer the penetrating question of Thomas Jefferson, "Can the liberties of a nation be secure if we have removed the belief in the hearts of the people that those liberties are the gift of God?"

Help us return to our roots, Lord of the nations. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. Under the standing order, the majority leader is recognized for not to exceed 10 minutes.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, following the time reserved for the two leaders today, there will be a period for the transaction of routine morning business not to extend beyond 1:30 p.m., with Senators permitted to speak therein for up to 50 minutes each. At 1:30 p.m. today, there will be an additional hour for morning business with that time under the control of the Republican leader.

Thereafter, it is my hope that we will be able to obtain unanimous consent to consider the Export Administration reauthorization bill. As I indicated yesterday, that bill has been cleared for us to proceed to consideration of it on the Democratic side. We are awaiting a response from our colleagues on the Republican side and I hope that we will be able to have that and begin on that bill today.

It is my understanding that earlier today the Labor Committee favorably reported the nomination of Lynn Martin to be Secretary of Labor and I hope we are going to be able to complete action on that nomination prior to the recess this week.

CHINA'S PRO-DEMOCRACY ACTIVISTS TODAY

Mr. MITCHELL. Mr. President, in recent weeks, news accounts reported that the Government of the People's Republic of China sentenced Wang Dan, one of the prominent leaders of the 1989 prodemocracy movement, to 4 years in prison.

Wang Dan's conviction was punishment for his attempts to exercise the basic political rights of freedom of speech and assembly.

In the People's Republic of China, the exercise of such nonviolent, internationally recognized human rights is labeled as counterrevolutionary propaganda and incitement. Those who speak out for democracy and freedom are summarily jailed without charges, convicted in abbreviated trials with no juries or public observers, and sentenced to prison without appeal.

Four others who participated in the prodemocracy movement have also been sentenced to terms ranging from 4 to 7 years on the same charges.

In addition, it was announced yesterday that several prominent intellectuals who participated in the prodemocracy movement and have been held for months without charges are shortly going to be brought to trial on charges of sedition, a crime punishable by death.

The timing of these trials represents the Chinese Government's effort to exploit the preoccupation of the international community with the Persian Gulf war.

Clearly, the Chinese Government hopes to be able to stifle all dissent with the minimal amount of international notice. Equally clearly, the goal of that government will be achieved unless the nations of the world, including ours, the United States, recognize that a natural focus on the gulf war does not permit us to suspend all other issues of long-term national interest.

The decision by China's leaders to take this approach is discouraging.

Nearly a year ago, I took the Senate floor to report to my colleagues on a State Department document which constituted a devastating indictment of the human rights situation in China.

That report, made by this administration's own State Department, made

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

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clear then that the Government of China was pursuing a policy which violates the human rights of its citizens broadly, indiscriminately, and in a way that shocks the conscience of the world.

Those violations of the rights of the Chinese people continue today. There can be little doubt that these abuses are a deliberate policy of the Chinese Government. That government's policy is one of repression against every vestige of free expression inside that country.

Despite the clear evidence of a year ago, and despite the absence of any evidence that the Chinese Government has been deterred from pursuing this course, President Bush has maintained his policy of granting most-favored-nation trade status to China, and simultaneously relaxing the sanctions that were imposed after the massacre in Tiananmen Square.

President Bush has repeatedly stated that it is our national goal to seek a new world order in which respect for the rule of law and the fundamental rights of all people are the international standard.

Today in the Persian Gulf, thousands of young Americans are standing alongside young men and women from other nations, to defend the international rule of law.

Americans were outraged by the brutal Iraqi invasion of Kuwait last year. But they were no less outraged by the massacre of peaceful demonstrators in China the year before.

Americans have repeatedly made clear that they support human rights and that they support a consistent American policy of opposing human rights violators everywhere, not just in selected locations.

Yet the Bush administration is downplaying the violation of law and freedom in the People's Republic of China.

The administration's policy of downplaying the actions of the Chinese leaders who are persecuting Chinese citizens for seeking democratic rights is a failed and mistaken policy, and it flies in the face of our Nation's best interests.

American interests are best served by a policy that looks to the long-term future; a policy that sees beyond the immediate crisis to the future of our Nation and its future relationships in the world. A shortsighted, automatic reaction to a perceived diplomatic need today will come back to haunt policy makers in the future, when the current crisis is past.

Surely, if there is one lesson we should have learned from the Persian Gulf crisis that so absorbs our Nation today, it is that we cannot base our national long-range interests on the shifting and self-interested friendships of dictators.

I urge the President to express support for the moral issue of the human rights of the Chinese people and the rule of law there with the same frequency and fervor as he discusses those subjects in the Persian Gulf.

Human freedom is not divisible. A world forever divided between the free and the unfree is a world in which conflict is inevitable. We should be pursuing policies whose goal is to steadily and consistently increase the peoples and nations in the column of freedom and to reduce the forces arrayed against them.

RESERVATION OF LEADER TIME

Mr. MITCHELL. Mr. President, I reserve whatever remainder of leader time I may have and all of the leader time of the distinguished Republican leader, and I yield the floor.

The PRESIDENT pro tempore. Without objection, the request of the majority leader is granted.

MORNING BUSINESS

The PRESIDENT pro tempore. There will now be a period for the transaction of morning business to extend to the hour of 1:30 p.m. with Senators to speak therein for not to exceed 5 minutes each.

The Senator from Arkansas [Mr. BUMPERS] is recognized for 5 minutes.

Mr. BUMPERS. I thank the Chair.

(The remarks of Mr. BUMPERS pertaining to the introduction of S. 360 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

PROGRESS IN SOUTH AFRICA

Mr. DOLE. Mr. President, the past week has been an historic one in South Africa's movement toward full democracy. Two important events occurred, as a result of the leadership and courage of three men: President de Klerk, Nelson Mandela, and Dr. Buthelezi.

Late last week, in an address to the South African Parliament, de Klerk reaffirmed his commitment to fundamental change, the abolition of apartheid, and the creation of a fully democratic constitution.

More concretely, he announced that his government will introduce legislation to repeal the last remaining legal foundations of apartheid—the Group Areas Act, the Land Acts, and the Population Registration Act.

In asking the Parliament to act swiftly on these proposals, de Klerk said the result will be that "South Africa's statute book will be devoid, within months, of the remnants of racially discriminatory legislation which have come to be known as the cornerstones of apartheid."

De Klerk also repeated that both his government and the ANC have accepted the principle that a multiparty conference should be convened as soon as possible, to set the stage for the negotiation of a new constitution. That is welcome news, and deserves the encouragement and support of the United States

Earlier in the week, Mandela and Buthelezi met personally for the first time in nearly 30 years, and called for an end to the deadly cycle of violence that has pitted their followers against each other.

Previously, the ANC had sought to shut Buthelezi out of the negotiations on South Africa's future. But, as the New York Times and other observers have noted, Buthelezi and his Inkatha organization must play a role if there is to be a peaceful transition, and ultimately democracy, in South Africa.

After the Mandela-Buthelezi meeting, the Times editorialized that "If their appeal for tolerance succeeds, South Africans of every race will be the victors."

So South Africans across the political spectrum continue to take major steps toward the goals we all share—the abolition of apartheid, and the establishment of democracy.

As these momentous steps proceed, the time is fast approaching for the United States to fundamentally reevaluate our policy, to insure that we are doing the most that we can to encourage and support the forces seeking such fundamental reform in South Africa.

If the reforms de Klerk has just announced, and earlier reforms, continue on schedule, soon all of the preconditions set out in United States law for removing the sanctions now in place against South Africa will be accomplished. I believe all of us—the President and the Congress—should begin now to consider whether it is time to respond to these dramatic changes in the real world of South Africa, with equally substantial changes in our own law and policy toward South Africa.

Mr. President, I ask unanimous consent to include in the RECORD the text of the New York Times editorial that I mentioned.

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

[From the New York Times, Feb. 1, 1991]

BLACK SOUTH AFRICA'S MOMENT

Two proud black leaders, one a radical and the other a conservative, met in South Africa on Tuesday and called for an end to the murderous clashes between their followers. Nelson Mandela was at his generous best; his rival, Chief Mangosuthu Gatsha Buthelezi, grudgingly sought to score political points. Yet their meeting, the first in nearly three decades, may well turn out to be a defining moment in South African history.

In the last five years, at least 5,000 blacks have perished in township riots between supporters of Mr. Mandela's African National Congress and Chief Buthelezi's Inkatha Free-

dom Party. Black disunity has caused rejoicing among die-hard supremacists opposed to ending apartheid through negotiations with President F. W. de Klerk. Even so, Mr. Mandela's allies have resisted any meeting that might enhance Chief Buthelezi's claim for an equal seat at the bargaining table.

Wisely, Mr. Mandela decided otherwise. In their meeting in Durban, both leaders promised to tour townships ravaged by violence, to monitor the peace accord and to assure that police are not fomenting trouble. But Mr. Mandela went on to declare that there should be no victors or losers: "Only our people must be the victors, and the only losers should be those whose racist policies are served by the carnage among blacks."

For his part, Chief Buthelezi rehearsed his many grievances with the African national Congress, charging that its violence had been directed against him personally. He scratched the wound that both men vowed to heal. Nevertheless, however, prickly the chief, denying him a place at the table would mock the A.N.C.'s call for a genuine multiracial democracy. It is hard to see how there can be any democratic system that ignores Inkatha and its predominantly Zulu following.

Ending the cycle of violence will take more than words. Once before, a year ago, Mr. Mandela pleaded with his supporters to throw down their weapons; he was ignored. But having come to his rival's stronghold in Natal Province, and having joined with him in a fresh appeal, Mr. Mandela has reconfirmed his own stature without diminishing that of Chief Buthelezi. If their appeal for tolerance succeeds, South Africans of every race will be the victors.

DION J. STEPHENSON TRIBUTE

Mr. GARN. Mr. President, last Thursday morning, the reality of our war in the Persian Gulf was brought home to Utah as we were told that one of the 11 U.S. marines killed near the Saudi Arabia border in Operation Desert Storm was a soldier from Bountiful, UT. Lance Cpl. Dion James Stephenson was the first Utahn to die in combat since fighting erupted in the gulf. The 22-year-old Utahn became not only our first casualty of war, he became an American hero—a paragon of patriotism and a symbol of the American spirit and our commitment to freedom.

When my Salt Lake City office opened early on that Thursday morning, one of our first phone calls was from an emotional, bereaved, but very proud father, James T. Stephenson, who wanted to notify me of his son's death. The message he wanted conveyed around the world is that his son did not die in vain. I rise here today on this Senate floor to declare that message to the Congress. Dion J. Stephenson did not die in vain. He gave his live for a just cause.

This proud father, a distinguished ex-marine himself, also wanted to remind the American people "that we are doing the right thing in the Persian Gulf and when you know your're right, never, never give up." While it is terribly wrenching and overwhelmingly painful to lose a child in a war, Mr. Stephenson advises parents to remember these lives are not being sacrificed for naught. As he so clearly said, we must fight for freedom and a democratic way of life for all people everywhere.

I am touched by this father and his ability to be what President Bush would aptly characterize as a point of light during a dark time. Mr. Stephenson is giving the Nation the strength to go on. A grieving parent, racked with sorrow, is stepping boldly forward to remind us that the enduring principle of freedom is worth the price of his son's life. We may marvel at that level of national devotion by Dion Stephenson, according to his father, loved his country above all things; except one—his God. Next to his love and devotion to God, Dion Stephenson loved America more than anything else—so much that giving his life for what America represents was not at all too much of a sacrifice.

Dion once said that as Americans, we allow ourselves to become too complacent. We are "fat, dumb and happy" and are not aware of how badly some people have it, he said. He believed with all of his heart that as a U.S. marine involved in freeing Kuwait, he was fighting to free a people whose country had been taken over by a tyrant. During his 6 months in the gulf, Dion said he understood what it must be like to live in tyranny because he had seen it and felt it since Saddam Hussein and his Iraqi troops became entrenched in neighboring Kuwait. He said he was 110 percent behind the President and our national effort to liberate Kuwait from Hussein's stronghold.

On behalf of his son, Mr. Stephenson thanked the U.S. Congress for supporting the military and President Bush's call for action. He also thanked President Bush as Dion's Commander in Chief, for being a man who made the right decision at the right time. Dion was impressed with President Bush's strength and decisiveness and commented to his father that he and the Nation should appreciate having a Commander in Chief with combat experience. Dion's observations should teach Americans the great lesson to truly cherish our American way of life. Lance Corporal Stephenson was the epitome of a proud American. He held our values dear to the tragic end of his life.

On behalf of the U.S. Senate, the people of Utah and the citizens of the Nation, I want to thank Dion's parents for instilling the values and principles that made his life great. I also want to thank his father for publicly standing tall with unusual courage and perspective. We honor you for your unparalleled patriotism at a time of personal tragedy. We thank you for the outstanding service and ultimate sacrifice of your son, Dion and for the continued commitment of your son, Shaun, to our cause.

Finally, I pay tribute to Dion for his love of life, his devotion to God and the abiding principles of our great Nation, and most of all, for his grand sacrifice and example of bravery. His devotion to his family's principles could not have been more greatly tested. When he left for the Middle East in August, he knew our cause was right, he fought hard and never, never gave up. I commend him for his courage, his wisdom and his unwavering commitment to doing what was—and still is—right.

THE PERSIAN GULF AND "JUST WARS"

Mr. HELMS. Mr. President, time and events have moved swiftly since the Senate engaged in intense, sometimes heated debate about a resolution supporting President Bush and the course of action he had chosen to pursue in the Persian Gulf.

During that debate, a number of our colleagues expressed their views on the morality of the President's desire to use "all necessary means"—including military force—to remove Saddam Hussein from Iraq.

Shortly afterwards, I received a copy of a commentary entitled "The Crisis in the Persian Gulf and 'Just Wars,'" written by Dr. Richard Land, executive director of the Christian Life Commission of the Southern Baptist Convention—which, by the way, is America's largest Protestant denomination, with nearly 15 million members nationwide.

Mr. President, in his commentary, Dr. Land offers no conclusion as to the morality of military action in the Persian Gulf. But his clear focus on the paramount questions involved in determining the morality of war stands in stark contrast to the muddled, self-righteous rhetoric of antiwar activists, and their apologists, who appear to believe that no war is moral.

Specifically, Mr. Land details seven criteria of the "just war theory"—a theory that has been employed by Christians for centuries in judging the morality of armed conflict. While he applies these criteria to both historical and current events, he leaves it to those of us in public life to conclude whether the action in the Persian Gulf does indeed meet these cirriteria.

I regret that Mr. Land's commentary—and specifically the criteria he outlines—did not receive wider distribution before the Senate debate on the President's Persian Gulf policy earlier this month. If it had, I believe more Senators would have been persuaded about the morality of the President's use of military force in the Persian Gulf.

I hope Senators will take a moment to read Mr. Land's commentary, and that they will also keep in mind what he has said, as the situation in the Per-

sian Gulf develops over the coming weeks.

Mr. President, I ask unanimous consent that the text of Mr. Land's commentary be printed in the RECORD at the conclusion of my remarks.

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

[Commentary by the Christian Life Commission of the Southern Baptist Convention, Dec. 21, 1990]

THE CRISIS IN THE PERSIAN GULF AND "JUST WARS"

(By Richard D. Land)

Americans and others around the world have been terribly concerned these past few months about events in the Persian Gulf and the Middle East. Will there be war? For Christians, the question of the morality of war in general, and in this situation in particular, should be paramount.

The first question Christians should ask is whether resort to armed conflict is ever justified, and if so, under what circumstances? While there have been persistent elements of pacifism within the Christian tradition which have rejected all use of violence, for most Christians, in most places, at most times the answer has been that, yes, resort to military conflict by legitimately constituted civil authority is justifiable under certain circumstances. A useful tool employed by Christians for many centuries in discussing such issues of war and peace has been "just war theory." This theory was adapted by early church leaders, particularly St. Augustine, to deal with the reality of war in a fallen, sinful world. It must always be remembered that just-war theory is not, and never was intended to justify war. Instead, it tries to bring war under the sway of justice as understood by Christians and to insure that war, when it does occur, is hedged about by limits which reduce its barbarity. In fact, if all parties accepted just-war criteria, then there would be no wars, since the theory's first rule clearly states no war is just unless it is a defense against aggression. If everyone adhered to just-war theory, aggression would be eliminated.

What then, are the criteria of just-war theory?

1. Just cause. War is only permissible to resist aggression and defend those victimized by it. Only defensive war is defensible.

2. Just intent. The only acceptable motive must be to secure justice for all involved. Revenge, conquest, and economic benefit are insufficient, illegitimate and unacceptable motives.

3. Last resort. Resort to arms can only be morally legitimate when all other avenues of conflict resolution have been rebuffed or have demonstrably failed.

4. Legitimate authority. The use of military force is only the prerogative of governments. Consequently, only the duly constituted civil authority can legitimatize military action. However helpful a United Nations Security Council vote may be, for Americans the duly constituted authority is the government of the United States and the authorizing vehicle is a declaration of war.

5. Limited goals. If the purpose is peace, then annihilation of the enemy or total destruction of his civilization is not acceptable. "Total war" is beyond the pale. Also, unless one's survival or liberty are imperiled, it is not acceptable to resort to war unless the goals are achievable.

6. Proportionality. Will the human cost of the armed conflict to both sides be proportionate to the stated objectives and goals? Does the good gained by resort to armed conflict justify the cost of lives lost and bodies maimed?

7. Noncombatant immunity. No war can be just which does not disqualify noncombatants as legitimate military targets and which does not seek to minimize collateral, inadvertent civilian casualties. No one has the right to make war on civilians.

These are the criteria which armed conflict must meet to be considered just. How do these apply to the present crisis? Is America's motive to help erect a stable, just peace in the post-cold-war world in which all people have a reasonable expectation that aggressors will be restrained by the world community of nations? If so, then perhaps this is a just cause.

In the attempts to bring to bear historical analogies, perhaps the best one to employ in the present crisis is Mussolini's invasion of Ethiopia in 1935. The League of Nations imposed an embargo which failed to deter Mussolini's aggression, and Ethiopia was conquered.

Quickly, the world became a much more dangerous and unstable place. The League of Nation's impotence was exposed, and the allies' appeasement had begun. In short order, Hitler reoccupied the Rhineland, Hitler and Mussolini blatantly intervened in the Spanish Civil War, and Austria was annexed by Germany. Then, at Munich, the allies surrendered the Sudetenland and within a short period of time the world had disintegrated into a worldwide conflict which cost tens of millions of lives.

Mussolini, like Hussein, did not initially pose a threat to the survival of the great world powers. But his undeterred aggression encouraged and abetted the unleashing of powerful forces in other lands which ultimately threatened the survival of civilized humankind.

Let it be stated here emphatically that jobs and oil are not a sufficient or legitimate motive.

Is our goal in the Persian Gulf to roll back aggression and to bring relief and justice to the Kuwaiti population victimized by Iraqi aggression? The horrors of the Amnesty International reports of widespread Iraqi atrocities are particularly relevant at this point.

Is it further our goal to neutralize Hussein's military power and in so doing seek justice and peace for the entire region? If so, then perhaps our goal is just. A mere restoration of the status quo ante which leaves Hussein's military capability in place is not a sufficient goal and would not justify the loss of life, American, Kuwaiti, and Iraqi.

Can such goals be achieved without disproportionate American, Kuwaiti and Iraqi bloodshed? Are there no effective alternatives to armed conflict to achieve these goals? Are there procedures in place to insure the minimizing of non-combatant casualties?

The American citizenry does not have the information to answer many of these questions. We have the responsibility to ask them, however, and to demand that our elected leaders assess the crisis in light of them, and to provide affirmative answers before resorting to armed force—always a last resort.

President Kennedy said in his inaugural address that "a new generation of Americans had risen to leadership ready to pay any price, bear any burden, meet any hardship, support any friend, oppose any foe, in order to assure the survival and the success of liberty." Subsequent events revealed that we were willing to bear some burdens, meet some hardships, support some friends, and oppose some foes.

Now another generation has risen to leadership, one that has learned the bitter lessons of the limits of American power and resolve. President Bush said in his inaugural address that "surely the statute of limitations has been reach in Vietnam." In terms of bitterness and recrimination that is hopefully true. But the lessons of Vietnam endure. For many of us, with the names of friends, relatives, and playmates inscribed on the onyx marble of the Vietnam memorial embedded in the hallowed ground near the Lincoln memorial—a promise has been made, a vow taken—"Never again!"

Never will we allow our soldiers to be placed at the uncertain end of a long tether without sufficient support and resolve at home to give them all necessary means to do the job. If it is worth American soldiers dying, it is worth winning. And unless our survival or liberty is at stake, it must be winnable. If it is not worth winning (including the just-war criteria), it is not worth the shedding of our citizens' blood.

For this Christian, for this American, for this father, these are serious questions with the gravest repercussions. To our elected leaders, I say, "If you send our young people to war, you must have firm, acceptable answers to these questions. We are accountable for asking. Your are accountable for your answers."

THE 50TH ANNIVERSARY OF THE USO

Mr. NUNN. Mr. President, the United Service Organizations, or USO as it is better known to all of us, is celebrating its 50th anniversary this week. I would like to take a moment to commend the USO for a half century of outstanding service to the men and women in our Armed Forces.

On February 4, 1941, President Roosevelt ordered six civilian agencies which were already providing support to the military to unite to form a new organization: the United Service Organizations or USO. The six agencies were the Salvation Army, YMCA, YWCA, Travellers Aid, Jewish Welfare Board, and National Catholic Community Services. The six stars in today's USO logo represent these six original agencies.

Since its founding 50 years ago, the USO has sought to provide a home away from home for U.S. military personnel in both wartime and peacetime. In the course of carrying out this mission, it has offered a countless number of different kinds of services. Of course, the best known of these services are the celebrity shows or "Bob Hope tours" that have entertained military personnel all over the world. During the past 50 years, more than 10,000 performers have participated in these shows. In 1988, the Senate and House Armed Services Committees honored Bob Hope for his unselfish contributions by recommending that an appropriate Navy ship be named the U.S.S. Bob Hope.

Mr. President, as important as the USO entertainment shows have been, we should remember that the USO provides a variety of other helpful services, especially on behalf of military families. At more than 30 airports in the United States and overseas, the USO operates hospitality stations where military passengers can rest and find help with missing luggage, canceled connections, language problems, and long layovers. The USO also provides many support programs to assist military personnel and their families to settle into new overseas assignments. These programs include information on housing and jobs; opportunities for interaction with host country citizens; self-help classes; and recreational activities. Through all of these services, the USO helps the men and women in our Armed Forces and their families to cope with the complex problems of military life.

With the deployment of more than half a million military personnel to the Persian Gulf, the USO has intensified its activities. It has been working closely with the families of servicemen and servicewomen to alleviate the practical and emotional problems that have been caused by Operation Desert Storm.

On particular example of the USO role in Operation Desert Storm comes to mind. The very large Air Force complex of Rhein-Main in Frankfurt, Germany is the stopover point for a significant percentage of the United States forces flowing from the United States to the Persian Gulf. Depending on the turn-around time, the troops can be on the ground for many hours, sometimes even days. Strictly with volunteers, the USO operates the only facility where military personnel can go for some refreshments and rest from their travels. The USO ensures that hot and cold beverages, snacks, homemade cookies, sandwiches, televisions, reading material, and other assistance are available. The volunteers are there day and night and without their help, the tens of thousands of U.S. forces arriving and departing Frankfurt would be more or less left to waiting on the runways.

Mr. President, I ask unanimous consent that an article on the history of the USO from the February 1991 edition of Leatherneck magazine be inserted into the RECORD at the conclusion of my remarks.

It is only appropriate that we recognize the contributions of the USO at a time that the Nation is at war. I salute and congratulate the staff and volunteers of the USO on the occasion of their 50th anniversary.

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

FIFTY YEARS SERVICE TO SERVICE PEOPLE—1941–1991

(By Lisa McLaughlin)

What do coffee and doughnuts, Bob Hope, and a frontline private have in common? To many who have served in the U.S. armed forces, the common denominator is an organization whose acronym has come to symbolize home abroad for American servicemembers—the USO.

This year marks the golden anniversary—50 years—of the United Service Organizations. Since its founding in 1941, the USO has provided "a touch of home" for servicemembers and their families. Now, at the beginning of a new decade 50 years later, the USO is still busy taking care of American forces.

The recent deployment of U.S. troops to Saudi Arabia and the Middle East region for Operation Desert Shield is the largest since Vietnam. The USO immediately responded to the crisis in the Persian Gulf by setting up two USO centers: one in Dubai (United Arab Emirates), and one on the island of Bahrain (off the coast of Saudi Arabia). Another center in Dhahran (Saudi Arabia) is tentatively scheduled to open sometime this month. World USO President Chapman Cox said that volunteers and a couple of USO staff members help nearly 800 troops a day at the Dubai center and almost 200 on Bahrain to feel more at home in a culture so foreign.

USO's Gulf Crisis Fund, in conjunction with generous corporate support, is providing a myriad of services to those stationed in the Gulf and their families who remain in the United States. In September 1990, USO and Montgomery Ward & Company launched project "Better Than A Letter" which provided hundreds of camcorders, televisions. VCR's, videotape cassettes and video-mailing materials to U.S. troops stationed in the Gulf. It was the first time that troops could send personal video messages back to their families Stateside. Also that month, servicemembers in every battalion, squadron and ship received libraries of popular films, along with a television set and a VCR, donated to USO by West Coast Video. Another project. "Operation Oasis," was kicked off in November, in which the USO distributed more than 100,000 gift packages containing a variety of items donated by U.S. companies. USO's Morning Show Network, comprised of 60 participating radio stations acress the nation, continued to provide the troops with tapes of favorite morning radio shows so they could listen to news and music from home and callers' messages and comments. (A 1-900 number was implemented through December 31 for people nationwide to call in and record messages for American armed forces in the Middle East.)

Of course. USO celebrity entertainment has continued to provide that "taste of America" to the troops. In October 1990, actor/comedian Steve Martin and his wife, actress Victoria Tennant, paid a visit to the troops in remote areas, followed by a handshake and autograph tour in November by five-time boxing champion of the world Thomas "The Hitman" Hearns. During the Thanksgiving holiday, comedian Jay Leno entertained troops throughout the region. And who else but the untiring Bob Hope and USO entertainment troupe (including such big-name stars as the Pointer Sisters. Marie Osmond. Johnny Bench, Aaron Tippet and Khrystyne Haje) performed for servicemembers over the Christmas holiday. Last month, "Major Dad" (actor Gerald McRaney) and his wife, actress Delta Burke who plays "Designing Women's" Suzanne Sugarbaker, visited American troops serving in Operation Desert Shield.

USO will continue its schedule of two entertainment tours a month for the duration of Desert Shield, according to Mr. Cox who added, "We are not forgetting other servicemembers serving around the world right now.

"Tours by LaToya Jackson (in Egypt) and the Dallas Cowboy Cheerleaders (in Korea, Kwajalein Atoll and Johnston Island) let troops who are not in Desert Shield know that USO isn't forgetting them."

Mr. Cox, a Marine Corps Reserve colonel, began his term as president of World USO in May 1990. He served on active duty in the Marine Corps form 1965-68 during the Vietnam War as a judge advocate to the commanding general of the Ninth Marine Amphibious Brigade, and he knows well what it means to have "a home abroad."

The USO is a civilian, nonprofit agency which receives no funding from the U.S. government. It depends entirely on individual and corporate contributions, although it does receive support from sources such as the United Way and the Combined Federal Campaign. (For more information on how you can help, contact your nearest USO center.)

USO was born February 4, 1941, when six civilian agencies which had acted independently in World War I pooled their resources under the direction of President Franklin Delano Roosevelt. The six agencies included: the Young Men's Christian Association (YMCA); the Young Women's Christian Association (YWCA); the National Catholic Community Services; the National Jewish Welfare Board; the Salvation Army; and the National Travellers Aid Association.

During World War II, the USO faced the incredible task of helping to solve the problems created by such a massive mobilization. U.S. troops grew from less than 500,000 to more than 12 million between 1940 and 1944. The USO put together clubs, lounges and other facilities just about anywhere they could—and in a hurry. Barns, railroad cars and store fronts were utilized. At its peak in March 1944, the USO operated a total of 3,035 centers. Although most of the facilities provided off-duty recreation to male servicemembers, a number of centers served women in uniform, and others provided child care for military spouses.

But perhaps the USO's greatest trademark is the celebrity entertainment provided through Camp Shows Inc., also formed in 1941. Camp Shows presented an astonishing 428,521 performances for 213 million troops between 1941 and 1947. At one time, curtains were rising 700 times a day! Audiences ranged from those as large as 15,000 to some as small as 25 men at a lonely post.

Of course, volunteers were the backbone of the USO during the war. About 1.5 million Americans gave of their time in support of the war efforts. Many of them worked long hours at their full-time jobs, and then put in more hours at a nearby USO center.

After WW II, all USO operations were officially terminated in 1947. But from 1948 to 1950, USO maintained a skeleton staff.

In June of 1950, the nation again prepared for war—this time in Korea—and the USO, once again, rose to meet the nation's needs. Volunteers numbered more than 113,000; 294 clubs were opened worldwide; and Camp Shows presented 5,422 performances to the wounded and battle-weary troops. In 1952, USO's Camp Shows performed every day in Korea. And in 1954, Bob Hope's USO Christmas show was aired for the first time on tel-

evision, in Thule, Greenland. Hope's traditional USO Christmas shows, which began in 1948, continued every year until 1972.

After the Korean War, in 1953, the Department of Defense (DoD) realized that there was a continuing need for USO's services overseas. Gradually, USO expanded its clubs and shows.

The war in Vietnam created problems on the homefront, but the USO showed its support for those servicemembers in Southeast Asia, and it made the transition back to civilian life a little easier for the 40 percent of America's forces who were stationed in Vietnam and returned to a sometimes hostile American public. In 1963, USO established its first club in Saigon, which was followed by 17 others. It was the first time in the history of the USO that is centers were located in combat zones. These centers were often so close to front lines that servicemen would come to the facilities tracking mud from patrol missions, and checkrooms were provided for their weapons. Six more clubs were set up in Thailand, where more than a million people a month were served.

Once again, USO put on more than 5,500 shows, entertaining eager audiences large and small. By the end of the Vietnam War, many servicemembers were reluctant to be out in public while in uniform. But the USO was always just around the corner with open doors.

During the 1970s, the USO was faced with its own "hostile" situation—its funding from the United Way was threatened to be cut off. A committee was formed by United Way of America and the DoD to visit USO operations and military bases around the world. In conclusion, the 1974 report stated:

"If a voluntary organization like the USO did not exist, it would have to be created. Isolation of the military from civilian influences is not, we believe, in the interest of this nation. The advent of the all voluntary armed services does not change the requirement that civilian influence be encouraged at all levels." On December 20, 1979, the bill granting USO a Congressional Charter was approved by the Senate and was signed by President Carter. Thus, at the end of the decade, USO became an independent organization.

During the 1980s, a new patriotism swept the country. USO grew extensively, including airport centers which were opened in more than 13 major airports around the world; and USO's headquarters were moved from New York to Washington, D.C., in 1985.

But, the decade was not without conflict. In 1983, the crisis in Beirut, Lebanon (in which 218 U.S. Marines, 18 sailors; and three Army soldiers were killed by a terrorist bomb that was driven into the Marine compound at the Beirut International Airport) gripped the world. That Christmas, Bob Hope performed off the coast of Beirut—his first USO performance since 1972. He also flew in by helicopter to the U.S. Marine compound in Beirut on Christman day to visit the Marines there.

President Reagan honored the USO in 1983, during Bob Hope's 80th Birthday Salute to USO—a nationally televised program, saying:

"I want to thank the more than 40,000 USO volunteers who generously give of their time and of themselves. Thank you for reaching out to our men and women in uniform, letting them know that even though they are far from home, we think of them and we care."

Today, the U.S. military numbers 2.2 million, of which 54 percent are between the ages of 18 and 25. Including family members, the total military community is more than 5 million. More than ever before, the USO serves the needs of not only the American servicemember, but his family as well. USO family and community centers help military dependents adjust to new surroundings by providing information on babysitting co-ops, employment opportunities, parenting, nutrition, budgeting and children's recreational programs, as well as orientation and intercultural programs.

At 158 locations worldwide, the USO stands ready to answer the needs of American servicemen and women and the families behind them. It's a little bit of Americana, wherever they may go.

50TH ANNIVERSARY OF THE USO

Mr. INOUYE. Mr. President, I join my colleagues in commemorating the 50th anniversary of the USO.

On February 4, 1941, President Franklin D. Roosevelt ordered six civilian agencies to unite and create a new organization: the United Service Organizations [USO]. The USO is the only independent, congressionally chartered organization which is devoted entirely to providing various human services for our Armed Forces personnel and their families. It began as, and, continues to be a most important mission.

The USO's 50 years of outstanding service to our Armed Forces is a reflection of commitment, dedication and hard work. The USO's mission during World War II was to provide a "home away from home" for thousands of young men who were entering military combat for the first time. Several years later, the USO found itself near the combat areas during the Korean and Vietnam conflicts, providing the only off-duty recreation and support for our soldiers.

Now that we find ourselves embroiled in battle in the Persian Gulf, it is critical that we are united in support of our troops who are being asked to make the supreme sacrifice. The USO plays a vital role in keeping up the morale of our brave soldiers who are in harm's way while courageously serving our Nation. I commend the USO volunteers who has given so generously of their time, of their hearts, and of themselves. The USO's support for our troops in the Persian Gulf, and of the soldiers of past wars, is an important means of sustaining and strengthening their resolve to fight on in defense of our Nation's principles of freedom and democracy.

It is my great pleasure to extend my warm wishes and heartfelt praise for the USO. May they continue to provide our soldiers with song and support for another 50 years.

IT'S TIME TO GET SERIOUS ABOUT MISSILE DEFENSE

Mr. HEFLIN. Mr. President, it is difficult to see through the mists of war in the Persian Gulf to reach any generalizations or sweeping conclusions. After the first weeks of this war, the emotional roller coaster which has held sway in the Nation bears testimony to the hazards of reading too much into short-term events. But, it seems safe to say that our high-technology weapons have already exceeded the expectations of most observers and that another chapter has been added to the annals of military history.

The performance of our high-technology weaponry in the Persian Gulf war has deservedly drawn praise from supporters and critics alike. I salute the developers of these weapons and the professional men and women who operate them. It is gratifying to bear witness to the vindication of modern weapons which have too often been the victim of harsh criticism. In particular, I would like to take note of the unprecedented combat application of a defensive weapon, the Patriot system, and express a few thoughts about the implications of its magnificent performance.

A hostile ballistic missile has been shot down for the first time in history. This landmark event goes beyond an incremental improvement in traditional weapons brought about by advanced technology. It ushers in a fundamentally new dimension of warfare, the use of an effective defense against the previously unchallenged supremacy of ballistic missiles. From the time of the German use of the V-2 missiles in the London blitz 45 years ago, the specter of offensive weapons for which there is no defense has haunted us. Now we have a demonstration, far more vivid and convincing than words can convey, that ballistic missile defense has arrived.

In regards to that, I think that the antiballistic missile defense system known as the Patriot has really worked superbly, and we are proud of the work that has gone on for many years in developing the Patriot system.

To be sure, we are talking about defense against relatively short range tactical ballistic missiles by a system which was originally designed to defend against aircraft. The Scud missile, which Patriot has blasted from the sky with repeated success, is a early generation ballistic missile sold to Iraq by the Soviet Union. It is a tribute to the Army developers that the Patriot upgrades, to give it a capability against this class of target, were proposed several years ago. Without this foresight, we would now be watching helplessly as all of Saddam Hussein's Scud missiles rained down with impunity on their targets in Saudi Arabia and Israel. There is profound significance to this traumatic offense-defense duel, being brought into our living rooms and offices by TV, and we must heed the lessons it brings to us about further development of ballistic missile defense systems.

It should not escape our attention that the upgrades that give the Patriot a capability against tactical missiles traveled a long and tortuous road to final approval. This capability was stripped from the system at one point, when it was called SAM-D, and it narrowly avoided the congressional budget knife a few years ago. I recall this episode to underscore an institutional problem in the weapons development process. We do not have an enviable track record of staying power, particularly in the development of defensive systems, in seeing weapons programs through to an operational capability.

This budget year, the Congress substantially increased the defense budget for theater missile defense, the category of development devoted to advanced systems to protect against the spiraling threat of tactical ballistic missiles. The CIA has estimated that at least 20 nations will possess these weapons by the year 2000. Keeping pace with the proliferation of these weapons is a continuing multinational effort to improve their range and lethality, including development programs to arm them with chemical, biological, and nuclear warheads. It is imperative that every effort be made to arrest this alarming trend through political and diplomatic means, following the example of the Soviet Union-Soviet INF Treaty. Parallel to such efforts, we must build on the theater missile defense initiative in order to lessen the incentive for the acquisition of these weapons and to nullify the awesome effects of their use.

I congratulate President Bush on recognizing the need to refocus the Strategic Defense Initiative [SDI] Program on providing protection against limited strikes. The time has arrived for this Nation to develop a fresh approach to the development of ballistic missile defense systems, an approach which is commensurate with the seriousness of the threat and supported by a political consensus which will sustain it long enough to get something done. As I have stated on many occasions, along with many of my colleagues in the U.S. Senate, the Strategic Defense Initiative [SDI] Program has concentrated too heavily on early deployment of space-based weapons that were designed to defeat a large-scale Soviet attack. Less emphasis has been given to more mature ground-based systems, generically related to Patriot, which can evolve to protect against the whole range of ballistic missiles we might face.

What has been the price of a dominant emphasis of the SDI Program on the early deployment of space-based weapons? It has not only alienated those who favor an evolutionary approach, in compliance with the ABM Treaty, but it has diverted resources from ground-based elements which could be much further along today. If we had begun the development of a non-nuclear ground-based system in 1983, when the SDI Program was initiated, we could have a modern, dedicated missile defense system in the field today. With such a dedicated system, we would have the added security of a defense against missiles of greater range and sophistication than Scud.

This past August, we had an extended debate in this body about the SDI Program, in connection with the Bingaman-Shelby amendment. In a 55-43 vote of approval for this amendment, the Senate repudiated the central direction of the SDI Program, in consistent but stronger terms than in the previous 2 years. It is not my intent today, to dredge up all of the arguments of this ongoing debate, but there are two clear conclusions which we can draw from it. The first is that we do not have a political consensus for the direction of the SDI Program. The second is that there are grounds for such a consensus if the administration will relent on early deployment of space weapons, in violation of the ABM Treaty.

As brought out in the Bingaman-Shelby debate, the administration has belatedly swung around to endorse a limited first generation system, but they persist in including space-based weapons—Brilliant Pebbles—as the centerpiece of the SDI Program. The new umbrella architecture, called Global Protection Against Limited Strikes [GPALS], envisions an application of space weapons which is even more questionable than in the original, phase I architecture. Space weapons are now proposed for engagement of tactical ballistic missiles, launched from any location, despite the obvious problems of achieving global coverage, securing international agreement on engagement criteria, and extending effectiveness to short time-of-flight missiles.

I propose that we take the following six steps to establish a long term, politically viable missile defense program:

Accelerate the development of a ground-based, two-tier theater missile defense system to protect our allies and forward deployed forces against tactical missiles;

Initiate development and deployment of a treaty-compliant missile defense system to protect the continental United States against missile attack;

Accelerate the development and deployment of space-based sensors to aid both theater and continental U.S. defenses to meet responsive threats;

Develop an evolutionary plan for upgrading and expanding both theater and continental U.S. defenses to meet responsive threats;

Maintain a technology base program to provide opportunities for upgrades and advanced systems, including a vigorous research effort on directed energy weapons [DEW]; and

Continue complementary arms control negotiations to reduce the threat of both strategic and tactical missiles.

These steps are not original. Indeed, they have permeated the SDI debate for the past 3 years. However, I believe that they represent a prudent course for the SDI Program, and other related missile defense efforts, and they enjoy a broad base support in the Congress. As we enter into the fiscal year 1992 congressional budget cycle, I urge the administration to adopt these steps. We cannot afford to remain fundamentally divided on the proper course of action in this vital area of weapon development.

FOREIGN AID AND U.S. TRADE

Mr. LEAHY. Mr. President, the issue of "tied aid," the practice where a donor country gives foreign aid to a developing county on condition that the recipient agrees to buy the donor country's products, was highlighted in a January 13, 1991 Washington Post article titled "Japan's Hands-On Foreign Aid." I will ask unanimous consent that a copy of this article be included in the RECORD at the end of my remarks.

This article is the latest entry in a wide-ranging debate over the purposes and effectiveness of U.S. foreign aid that has intensified since the recent end of the cold war. Another important contribution is the recently completed Department of Commerce study "International Financing Programs and U.S. International Economic Competitiveness." That study is a valuable look at how our current foreign aid programs do or do not strengthen our trade and investments abroad. The Commerce study is too lengthy to include in the RECORD, but I commend it to Senators.

The study documents quite clearly what I and many others have been saying for some time, namely, that compared to the tightly integrated foreign aid and foreign commercial policies of our competitors, especially the Japanese, United States foreign aid is just not helping our economic competitiveness abroad the way it should.

The United States once used tied aid on a large scale in the 1950's and 1960's but 15 years ago or so, we greatly reduced the practice—through, contrary to some claims, we have not eliminated it. The Department of Commerce study indicates that even now some 18 percent of United States foreign aid is tied or linked to purchases of U.S. services or products, and another 36 percent is partially tied. This is not completely out of line with our main competitors, but they have been far more aggressive in using their aid programs as levers to open, capture and dominate markets.

Beginning in the 1970's, U.S. bilateral aid emphasized helping the poor,

"meeting basic human needs," and serving foreign policy interests. U.S. commercial interests—trade and investments abroad—took a back seat. At the same time, the role of our Export-Import Bank in financing United States exports in competition with subsidized exports of Japan, Germany, Britain, Italy, and others, also sharply declined. The result was a clear divorce between our aid policy and our international commercial policy. We were so economically dominant no one paid much attention.

Into the breach have stepped the Japanese and the Western Europeans, who are aggressively promoting their own exports through their foreign aid programs.

U.S. policy now is to oppose the use of tied aid and to try to negotiate a reduction in its use through the OECD group of the main foreign aid donors. However, recently, the administration conceded that little progress has been made with the other major donors in getting enforceable agreements to cut back on the use of tied aid. We are now on the verge of moving back into the tied aid practice on a much larger scale ourselves. AID and the Exim Bank last year developed a program where up to $500 million in aid targeted for several Asian nations could be used in the form of tied aid. This is probably a harbinger of what is to come if progress is not made in reducing predatory financing and other practices by our competitors.

Tied aid is most often used by our Japanese and European competitors in capital-intensive projects that generate billions of dollars in exports in the construction, mining, energy, telecommunications and transportation sectors. The Post article described, for example, an $850 million, 1,000-megawatt electric generating plant in India financed with a low interest loan from Japan, built by a Japanese construction company with Japanese products. It goes on to discuss the dramatic success the Japanese have had in using foreign aid explicitly to promote Japanese companies against Western competitors.

The Japanese are among the most aggressive in using tied aid to build export markets, but they are not the only ones using their foreign aid for competitive purposes. Several European aid donors also resort to tied aid, despite agreements not to do so.

Mr. President, last year in hearings in the Foreign Operations Subcommittee and in speeches on the Senate floor I spoke repeatedly of the need to reexamine our foreign aid programs. In one speech titled "New Directions in U.S. Foreign Aid Policy," I described five principles which I believe should guide our foreign aid policies based on the realities of today's changed world.

One of those guiding principles is that we must use our foreign aid to do much more to strengthen American economic competitiveness abroad. This means export markets for our products made here at home, and more jobs for Americans.

I said that "if we are to compete for markets and American jobs, it is a time for boldness. We have to back our commercial interests as effectively as the countries that are in competition for these markets."

Since becoming chairman of the Foreign Operations Subcommittee, I have worked hard to strengthen the Export-Import Bank, the Overseas Private Investment Corporation and the Trade Development Program as the main instruments for using our foreign aid programs to bolster our economic competitiveness abroad. Step by step, we are reversing the trends back toward integrating our aid and trade policies.

I should point out, though, that while the President also has spoken of the need to help U.S. businesses invest overseas, his budget request last year cut deeply funding for the Export-Import Bank. Fortunately, over the administration's objection, the Congress increased funding for the direct loan program of the Eximbank to $750 million, or $250 million above the President's request. Within that level we gave the Eximbank authority to use up to $150 million for a tied aid war chest. These war chest funds are available to help United States companies with low-interest financing against Japanese and European competitors who resort to tied aid and other forms of disguised subsidies through their aid programs.

In the Foreign Operations Subcommittee, we are ready to go farther. I am prepared to seek further increases in the war chest authority if necessary. I am willing to strengthen OPIC's guarantee and direct lending role as well. I am ready to find ways to assist the Trade Development Program to be more aggressive in promoting American investments abroad. American businesses are still at a distinct disadvantage in the race for investments in the rapidly growing markets of Eastern Europe and the Third World. I am willing to consider ways AID might begin financing more capital and infrastructure projects. We must work to make our Foreign Aid Program much more supportive of our economic competitiveness abroad.

But, at the same time I have many questions about moving too quickly back into the old days of tying our economic and development aid programs directly to purchases of U.S. products and services, and financing of massive capital projects which often cause huge damage to the environment. Developing nations are still peppered with the famous white elephants of the 1950's and 1960's—roads that go nowhere, steel mills that are falling into rust, and dams that destroyed the local ecology. What we need is a level playing field for American business, not a war of subsidies disguised as foreign aid programs.

The point is there is no easy solution to how best to use our foreign aid to improve our export markets and also to achieve our economic development goals.

And, just as we must do much more to enhance American competitiveness abroad, we must not forget that our foreign aid programs serve multiple goals, including foreign policy interests, economic development and meeting basic human needs. We use a large portion of our aid for the direct, relief of the hundreds of millions of people who live in abject poverty. Humanitarian aid, as well as programs aimed at meeting basic human needs, is not suitable for tied aid purposes.

As we consider how to make better use of foreign aid in our commercial policy, we must not forget the importance of the smaller scale health, education, agriculture, family planning, AIDS, child survival, microenterprise and other development and humanitarian projects that directly improve the lives of the poorest people overseas.

This year, as chairman of the Foreign Operations Subcommittee, I will be holding hearings on the future of our foreign aid programs. One issue I intend to focus on is how we can do more to promote American businesses overseas through our foreign aid programs without sacrificing our equally important goal of meeting the basic human needs of the world's poor.

I ask unanimous consent that the article to which I referred earlier be printed in the RECORD.

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

JAPAN'S HANDS-ON FOREIGN AID

(By Steve Coll)

ANPARA, INDIA.—At dawn in this remote and smoky industrial town, a steel skeleton rises in the half light, the beginnings of an $850 million, 1,000-megawatt electric power generating station being constructed by Mitsui & Co., the Japanese trading giant. The plant, which will pump power across India's densely populated north, was made possible by a record $600 million, low-interest-rate loan from the Japanese government.

To Japanese officials, the plant is a symbol of Tokyo's new place as the leading philanthropist in the Third World, a position it assumed at Washington's urging. But to some resentful Western aid officials, the symbolism is very different.

While the United States slashes its foreign aid budget and rethinks its international assistance, they say, Japan is using its bountiful aid coffers to develop Third World markets for the 21st century—in many cases using development aid explicitly to promote Japanese companies against Western competitors.

As it did with the power plant under construction here, Japan often links large loans and grants to poor countries with procurement of Japanese equipment and technology, an approach that not only enriches Japanese firms in the short run, but also provides

them with a strong marketing edge once an aid program is finished.

Japan's seemingly clear-eyed emphasis on its economic self-interest contrasts with a U.S. aid program that appears to be in a state of confusion, shrinking in size and uncertain of its purpose.

Nowhere is this more obvious than in South Asia, a poor but steadily developing region with more than 1 billion people and a growing penchant for market capitalism. In the region's three largest markets—India, Pakistan and Sri Lanka—Japanese bilateral assistance now far outstrips that of the United States, amounting to more than $2 billion annually.

The vast majority of Japan's aid comes as low interest rate, or "soft," loans for big infrastructure projects such as power stations, telecommunications systems, and energy and transport, and the Japanese loans have strings attached: U.S. and European companies are largely excluded from participation in the projects, permitting Japanese firms to make immediate profits, establish their technologies in nascent industries and develop future markets.

As one Western aid official noted: "Once a user becomes familiar with Japanese equipment and technology, they'll keep using it."

It is a self-interested aid philosophy that "is skewed in a manner to promote Japanese interests to the great detriment of the development needs of the recipient country," said another Western aid official.

In the U.S. approach, on the other hand, this official argued, "There is a dimension that goes beyond self-interest . . . that is altruistic. This is an important part of American values.

In private, Japanese businessmen and officials scoff at American attempts to hold the moral high ground on aid.

They point out that "altruistic" programs, such as U.S. food donations to India, are protected in Washington by corporate farm and shipping lobbyists, whose clients reap millions of dollars annually from the program. They note that among developed Western countries, the United States is virtually alone in not linking economic aid to the explicit interests of its own companies. And they argue that the thrust of Japan's aid program promotes the goals articulated by the Reagan and Bush administrations: to encourage recipient countries to solve their problems of poverty and development through capitalism.

U.S. aid officials acknowledge that their own house is in a state of relative disorder. "Probably over the years we've had [on] a bit too many rose-colored glasses," said a Bush administration official. "We have to see that it's a different world and we have to adjust. . . . I think we should be prepared to meet the competition in whatever form it takes."

MEET FUKUO YAMANAKA

Here is the competition: a round, bespectacled, unusually friendly Japanese executive named Fukuo Yamanaka, chief representative in Indian of Mitsui & Co., the Japanese trading giant. Yamanaka knows the United States—he worked there for nine years—and he remembers his time fondly. But his career provides a microcosm of how the nexus between government aid and private trade has changed in Japan and the United States during the past three decades, and how those changes are reshaping international economic competition.

Yamanaka's business is power—the manufacture, sale and maintenance of electric power generating stations and their assorted industrial components. He first came to the United States in the early 1960s, when "made in Japan" was synonymous with "cheap and shoddy" and when the international electric power business was dominated by U.S. firms, particularly General Electric Co.

As an engineer and salesman, Yamanaka's job in those days was to acquire and sell GE power turbines to Japanese users, often municipal governments and other utility authorities. No company in Japan could make turbines as well as GE, so Mitsui in those days made its money brokering American exports to Japan.

Because of the huge sums involved in building a power plant, and because governments are almost always involved in the business, it is typical for large deals to be supported by government credits or low-interest loans. Back in the 1960s, Yamanaka's job was made easier by the favorable financing he arranged with the U.S. Export-Import Bank. In those days, Japan was a big recipient of U.S. economic aid designed to rebuild its war-shattered infrastructure and to reinforce prosperity, democracy and political stability.

When Yamanaka returned to the United States during the 1970s for his second tour as a salesman, Mitsui had redefined his responsibilities somewhat. Now Japanese companies allied with Mitsui made some turbines and other heavy industrial equipment in competition with U.S. manufacturers. Yamanaka still used Ex-Im Bank credits to sell GE turbines to Japan, but he also sold Japanese products to U.S. companies, taking advantage of favorable public and private financing arranged by Tokyo.

By his third and final tour, during the mid-1980s, the tables had turned completely. Now 95 percent of Yamanaka's time and energy was absorted by selling Japanese turbines and industrial equipment to U.S. users. It was a good business, and many of the Japanese products were considered superior.

As for GE's business in Japan, Yamanaka notes dryly that, "These days, Japanese customers don't need any economic aid."

Today, Yamanaka is posted on Mitsui's next frontier: the developing world, where demand for electric power far outstrips supply, and where governments are anxious to build plants quickly on favorable terms. GE is still one of Mitsui's competitors, but in India and elsewhere in South Asia, the contest isn't very close.

One big reason: Japanese government aid, in the form of soft loans from its bulging Overseas Economic Cooperation Fund (OECF), has made Mitsui pretty much unbeatable by U.S. companies in South Asia.

Mitsui's biggest project in India today is the construction of the two 500-megawatt electric generating facilities at Anpara. Mitsui won the lead position on the contract after outbidding a single Japanese competitor.

The deal was clinched by a $600 million OECF loan carrying a 2.5 percent annual rate of interest, a 10-year grace period and a repayment period stretched over 30 years.

Like many Japanese, Yamanaka is sensitive to any implication that Japan is cynically using its aid budget to a poor country like India to promote the prosperity of Japanese corporations. The OECF loan restrictions excluding Western companies from competing "is of course a mixture, the political decision, the business decision."

As for Mitsui's goals, they are twofold, he said: to make immediate profits by winning contracts, and to build for the long run by using government-financed deals to introduce technologies and find partnerships with Indian companies.

Virtually all OECF loans to this region bar U.S. and European companies from competition, as was the case with the Anpara loan, but companies from developing countries are permitted to compete. In the rare instances where they beat out a Japanese competitor, negotiations later still often result in a tie-up with a Japanese company.

There are dozens of deals pending or underway in South Asia where Japanese firms have won contracts to build infrastructure projects using restrictive OECF loans or outright grants from Tokyo. Grants require 100 percent procurement from Japan.

A particularly vivid example of how such assistance promotes Japanese exports is visible in Sri Lanka, the island nation off India's southern tip. In the early 1980s, Sri Lanka had virtually no television facilities. With soft loans and grants, Japan donated state-of-the-art broadcast and transmission equipment, constructing a powerful network.

Today, Japanese manufacturers dominate Sri Lanka's booming market for color television sets—a market that hardly existed 10 years ago.

Despite a gradual relaxation of the exclusive conditions, Japan's aid to developing countries retains "a very, very close connection with private business," said a Japanese source who asked not to be further identified. This situation arises in part from a shortage of government staff devoted to managing the huge aid program overseas. As a result, "the role in identifying projects is played by the big trading houses in Japan, and they encourage the [recipient] government to submit a proposal."

The system "is not necessarily a bad thing," this Japanese continued. "Our companies are very efficient and are able to identify projects that will help the recipient countries. But our companies can make money under our system."

In India, where the government tends toward xenophobia even in the best of circumstances, there is a voluble debate about whether the Japanese aid system is as good for India as it is for Japan. Some accuse Japanese firms of taking advantage of their quasi-monopoly status in big projects to charge exorbitant prices. Others worry that Japan doesn't do enough to involve Indian companies in development work.

One thing is very clear: "The bulk of the OECF money ultimately goes back to Japanese companies," said Naresh Minocha, an Indian financial analyst. "And the Japanese companies quote higher prices than they would in full global competition."

RETHINKING THE PURPOSES OF AID

It now is clear that Japan's aid program in South Asia and much of the developing world dwarfs that of the United States and helps Japanese companies secure a toehold in markets where they might otherwise be left behind. But these truths do not necessarily mean that the United States will be less competitive than Japan in Third World markets during the 21st century, some economists and business officials say.

That is one reason specialists in Washington are today unsure about what the purpose and character of U.S. aid to poor countries should be.

U.S. aid policy remains driven by diverse impulses: to shore up friendly governments in strategic regions, to promote the spread of democracy and capitalism generally, and to provide direct relief to those living in the depths of Third World poverty.

The promotion of economic competitiveness has joined that list of goals during the Reagan and Bush years, but some U.S. aid workers say the idea has been slow to take root in an aid bureaucracy populated by people who see their careers as being devoted to altruism, not economic nationalism.

Some economists and government officials say the United States should try to best Japan not by imitating its approach to foreign aid, but rather by exploiting U.S. "comparative advantages" against Japan.

The biggest of these advantages, they say, is a relatively open U.S. immigration policy that encourages the development of international family-run businesses with a strong anchor in the United States.

For example, there are now about 26,000 Indians attending U.S. colleges and universities, according to U.S. officials. Presumably, some of them will start trading and making money on their own when they are finished with school, as thousands of Indians before them have done, building up two-way trade that totals billions of dollars annually.

Still, some U.S. officials urge that Washington should do much more to integrate the specific needs of U.S. businesses into its foreign aid budget, particularly in areas of the world where markets are young and Japanese and Europeans are working aggressively.

"If the Japanese companies have been so successful [in South Asia], it is because of the close linkage between industry, banking and the government," said V. Krishnamurthy, former chairman of the Steel Authority of India and a key architect of Japan's aid and trade relationship with India. "If you had gone to the American embassy in [New] Delhi, or to the government in Washington with a proposed deal, they would not" have provided much guidance or assistance.

The U.S. government is trying to change that, but the pace is slow. U.S. embassies now have instructions to integrate more closely the work of Commerce Department officials and representatives of the Agency for International Development (AID), which administers most U.S. aid to poor countries.

Last year, AID established for the first time a $300 million "war chest" to help U.S. companies arrange competitive soft loan financing against Japanese and European firms. But the amount available for such loans is relatively paltry. And during the same period, Congress defeated, at AID's urging, a bill that would have directly linked U.S. aid donations to procurement from U.S. companies.

"The goals remain the same—to improve the quality of life for poor people in developing countries," said a U.S. aid official. "We're also interested in developing an environment conducive to U.S. investment abroad . . . but we're not the instrument for U.S. business."

Krishnamurthy, recalling the days of the Kennedy and Johnson administrations when India was plagued by famines and the U.S. government boldly led a rush of charitable donors onto the subcontinent, said the U.S. aid philosophy has been well-intended but ultimately unprofitable. "Looking back, U.S. aid was directed in the right places" to alleviate poverty, he said. "But it was not aid that had a commercial future."

THE GULF WAR HIGHER EDUCATION AND HEALTH CARE SHORTAGE ASSISTANCE ACT—S. 335

Mrs. KASSEBAUM. Mr. President, I rise today to join as a cosponsor of legislation to provide needed relief for communities hard-hit by the call-up of medical personnel for military service in Operation Desert Storm.

This bill, S. 335, would target $50 million in expedited assistance for affected communities to help them maintain essential medical services. Other provisions of the bill—known as the Gulf War Higher Education and Health Care Shortage Assistance Act—would extend the deferment on repayment of student loans for military personnel participating in Operation Desert Storm.

Mr. President, more than 3,400 doctors have been called to active duty since the gulf crisis began last August—as have thousands of nurses and medical technicians. Few will deny that these professionals are urgently needed to support our troops abroad, but the fact remains that their sudden departure from communities at home has led to serious disruptions in the delivery of medical care.

Such disruptions have been particularly acute in rural areas, many of which were already suffering serious medical manpower shortages even before the gulf crisis began. In my own State of Kansas, for example, fully 64 of the State's 105 counties were identified by the University of Kansas Medical Center as being underserved in primary care last year.

The precise number of communities facing immediate medical shortages is still unknown. In Kansas, however, it is clear that the call-ups have already begun to take a toll. The town of St. John, KS, for example, has received national media attention in recent weeks following the call-up of its only full-time physician. Meanwhile, several other small Kansas towns have also lost critically needed medical personnel.

Mr. President, S. 335 would take a number of constructive steps to address war-related medical shortages. First, it would give the Secretary of Health and Human Services special authority to cut through the usual red tape of the medical shortage designation process. This, in turn, would clear the way for up to $50 million in expedited assistance grants to underserved communities facing the war-related loss of medical personnel. In addition, the bill would empower the Secretary to enlist Public Health Service doctors and nurses as temporary replacements and to coordinate the use of private sector volunteers.

As strongly as I support this bill, however, I do think it needs a few minor adjustments to make it even more responsive to the special needs of rural communities. These adjustments, many of which were suggested to me by health care providers in Kansas, would better guarantee that the bill accomplishes what it was designed to do. I am hopeful that these changes can be considered before this legislation moves to Labor Committee markup or to consideration by the full Senate.

Mr. President, in addition to its health care relief provisions, this legislation also offers two important educational benefits for military personnel involved with the Desert Storm operation. First, it provides for an additional 6-month deferment in the repayment of Federal student loans. This provision will assist in the readjustment of service personnel, many of whom have seen a decline in their financial resources as a result of active service in the operation.

Second, it requires that postsecondary institutions offer substantial tuition refunds or credits to students who had to interrupt their studies to go into active military service. I am pleased to note that, last August, the Kansas Board of Regents recommended that all regents schools in the State provide full tuition and fee refunds for students called to active duty. This is a sound policy, and it is the right thing to do. As we work with this legislation, however, I hope we will find ways to assure that this new statutory mandate will not be translated into burdensome paperwork requirements, particularly in those instances where institution-wide refund policies related to the Desert Storm call-up have already been instituted.

Mr. President, S. 335 is timely and needed legislation, and I urge all of my colleagues to join me in supporting it.

PERSONAL EXEMPTION REMARKS

Mr. COATS. Mr. President, I have long been convinced that numberless crimes and crises—the whole tragic litany of social failure—can often be traced to families that never formed or families that ceased to function. Broken families cause broken lives. They are a principle correlate of poverty, educational failure and crime. When parents cannot, for whatever reason, teach the lessons of character and work to their children, or provide the tools of opportunity, no program or policy can meet their basic needs as well. Government, though essential, is left to play catch up against long odds.

A famous quote puts the matter simply, "The family is the original and best department of health, education, and welfare."

This is the reason I believe a pro-family policy is so important. It is preventive social activism. Strengthening the bonds of parents to their children, helping ease the strains on healthy families, encouraging parental involvement—these are the ways to encourage success, not deal with failure.

I have strongly supported government programs which embody this approach—Head Start, early childhood education, character instruction, and others. But I am convinced these efforts can be taken one step further. There are many areas where families face challenges. Yet many solutions to problems depend ultimately on the ability of families to make ends meet.

I believe it is essential that we reduce the economic burdens on families so they can better play their vital social role—giving them the means to educate and care for their children without requiring intrusive and often ineffective Federal programs.

This is the reason, at the beginning of this session, that I introduced a bill (S. 152) to double the personal income tax exemption to $4,000. This measure is an antipoverty, profamily, proeconomic growth initiative that will help families meet their own needs, particularly in the recession we now face.

For too many decades, the Federal Government has been blind to the practical, pressing economic needs of American families. We have a tax structure that responds to every special interest under the sun. Even after tax simplification, it provides well over 100 exemptions and deductions—for shipping companies and alcohol fuels and timber growing. Volumes devoted to explain and interpret that code are measured in pounds, not pages. Every imaginable interest group employs lobbyists whose only job is to protect those special breaks.

Yet no one stalks these Halls to speak for the family. No demand is made for its just treatment. And, as a result, the family has suffered under our Tax Code.

It is a problem that has been developing for decades. The value of the personal exemption has steadily and dramatically declined—eroded by inflation and neglect.

I have taken the lead many times over the years to fight for personal exemption increases that accurately reflect the needs of the American family. In 1985 as a Member of the House, I sought to update personal exemption levels by introducing the Tax Fairness for Families Act. In 1986 I fought to ensure that an increase in the exemption was included in the Tax Reform Act which was ultimately signed into law.

It was clear to me at that point that the personal exemption was still not high enough. The subsequent increases and indexing for inflation were welcome, but still failed to take into account the modern day costs of raising children and keeping a household. Families are finding it more and more difficult to bear the financial costs of raising a family which, according to Family Economics Review, currently costs somewhere between $4,000 and $5,000 per year, per child, depending on how old each child is.

In the early years of this century, when Federal income taxes were first adopted, the personal exemption was worth the equivalent of $10,000, in 1990 dollars. Today, despite the changes in the Tax Reform Act, it is now worth only 20 percent of that amount.

In 1950 when the median family income stood at $3,319, the personal exemption was $600 per year. As such, an average family of four with no other exemptions could deduct approximately 72 percent of its income from taxation.

In 1989, by contrast, the average family income totaled $34,213 per year. Because the exemption increase enacted in the Tax Reform Act had already taken effect, Americans were allowed a $2,050 personal deduction. Despite the increase, however, an average family of four with no other deductions can now exempt only 24 percent of their income from taxation.

To offset the same percentage of family income today as in 1950, the personal exemption would have to be set at about $6,184.

This dramatic tax increase on families over the last several decades was not the choice of Congress. It came about because the personal exemptions was not indexed for inflation or for income growth. As I noted earlier, indexing has now been implemented, but we have failed to deal with the past erosion of the exemption.

This leads to another important point: A significant amount of the financial troubles that are experienced by families in today's economy are not caused by decreasing income. In fact, a growing number of American families now have two wage earners instead of one—too often out of necessity—yet many still cannot keep pace with daily expenses. These difficulties, in large part, are the result of increased, unfair and counterproductive taxation.

This situation has affected all taxpayers, but it has hurt families with children far more than any other group. It places a special burden on America's poor. And it hurts those racial and ethnic groups which are so often economically vulnerable. Today about 50 percent of all American families have children under 18 years of age. But more than 60 percent of black families, and more than 70 percent of Hispanic families have children under 18.

Now that we are confronted with a troubled economy, a higher number of American families are grappling with the reality of financial hardship. As a result, I expect we will see a number of proposals for new or expanded entitlement programs.

Quite frankly, Mr. President, a number of questions and concerns have rightfully been raised over the efficiency of our current welfare programs. Often our best intentions have been frustrated by waste and unintended consequences. But by putting money directly back into the hands of the American family—as S. 152 would do—we can provide them the power to make their own choices without Government interference. We can provide parents with the ability to better care for themselves and their children.

In today's world, a family of four earning $20,000 per year—which clearly is not enough money to provide two adults and two children with an adequate income—currently pays about $1,774 in taxes. Under my plan, this family would pay less than $600 in Federal income tax. These savings would go far in helping them to provide for their own needs with their own resources, rather than rely on handouts from the Federal Government.

Middle-income families would also benefit. A family of five earning $40,000 per year now pays about $5,500 in taxes with no other deductions. Under my plan, this family would save about $2,500.

Finally, Mr. President, this bill will help to stimulate economic growth. It will free money from a black hole of wasted public spending and place it in the hands of the Americans who earned it and know precisely what they most need.

The bottom line is that Americans are seeing a greater portion of their paycheck sent to Washington and seeing precious little in return. The personal exemption has steadily lost its value. It has not kept up the rate of inflation and it does not fairly reflect today's costs of raising a child.

A $4,000 personal exemption is a matter of equity, and is long overdue. It does not even bring that exemption up to its traditional historical value. But it will bring some essential relief to struggling families. Unlike special credits and deductions, it is available to all families, regardless of whether they itemize and whether or not they can afford "tax beneficial" investments. It will empower the American family to make their own choices and escape the trap of dependence by never entering it in the first place. It is not a handout. It is a matter of simple justice.

I urge my colleagues to cosponsor this resolution.

UNWANTED TRASH

Mr. COATS. Mr. President, I rise today to call attention to legislation I introduced on Monday, January 14, that would give States the necessary tools to combat unwanted trash.

Last fall, we engaged in considerable debate on the issue of interstate transportation of solid waste. In passing my amendment, the U.S. Senate sent a strong, clear message to States unwilling to dispose of their own garbage. The days of playing pass-the-trash are numbered. By an overwhelming, bipartisan majority, the Senate approved

my amendment which grants States the authority they deserve to control the influx of out-of-State trash. By the introduction of my bill, which contains the same language as my amendment as passed, I am alerting this body that I will continue my fight to give States the fundamental right to control their environmental destinies.

The problem of out-of-State garbage is at crisis level. Mr. President, in the heartland of our Nation, there is clearly no environmental concern more pressing. Indiana and other States have enough problems dealing with their own garbage, but that isn't all we're asked to do. Every year, we import thousands of tons of trash. As a representative of an importing State, I am frustrated with a system that severely limits our ability to preserve our landfills for our own needs.

The National Governors Association estimates that 6 percent of all waste travels across State lines for disposal. While this volume may be small, it is concentrated—primarily in the Midwest—eating away at our capacity to handle waste and accelerating us to a capacity crisis of our own.

Only two years ago, the amount of waste we imported in Indiana was negligible. Today, according to the Indiana Department of Environmental Management, as much as 30 percent of all the waste disposed of in Indiana is from out-of-State, in comparison to the mere 2 percent of our trash we ship across State lines, primarily sent to neighboring counties. This is not a case of Indiana crying "not in my backyard." We are taking care of our own trash. We simply ask that every State be responsible environmentally and accountable for the trash it generates.

Out-of-State shipments are clearly increasing at a time when our landfill capacity is declining. In Indiana, we have only 7 years remaining capacity. Of our 77 operating landfills, 31 are scheduled to close within 5 years. These unwanted shipments are creating deep resentment among Hoosiers, and causing uncertainty about environmental monitoring and cleanup.

The story of Centerpoint, IN, offers a personal glimpse of the problem and its impact on Hoosiers. Until a little over a year ago, Centerpoint's town dump was visited by no more than a couple of trucks each day, carrying the neighborhood trash for its 250 residents. Then the size of the dump was doubled and bought up by out-of-State investors. Suddenly, that dump was visited by 30 to 50 trucks each day bearing cargoes of rotting trash from the East. Sixty-five townspeople carried on an extraordinary vigil over the past year and a half. They monitored the landfill for every hour it operated, sacrificing lunch hours and vacation days, to faithfully record every truck that dumped its unwanted cargo. Their message is clear. Centerpoint does not want to be a dumping ground for other States' waste. In the span of one year, 6,000 trucks dumped a total of 240 million pounds of out-of-State trash on Centerpoint.

Where was this trash coming from? After checking registrations with the Interstate Commerce Commission, the people of Centerpoint found that dozens of New Jersey and New York trucking companies, coming from places like Jersey City, North Bergen, and Wayne, New Jersey visit on a daily basis. Of the drivers willing to be interviewed, 38 percent said their loads originated in New Jersey—from Newark, Jersey City, Westfield and others. Another 30 percent came from New York.

In 1979, a landfill was constructed in Northwest Indiana with the expected capability to manage the region's waste for 40 years. Today, a little more than a decade later, it has 3 years remaining capacity. More than three quarters of the waste disposed there is from out-of-State sources.

Indiana health inspectors have also reported concerns about late night and weekend shipments of infectious medical waste to Indiana landfills. According to State investigators, shipments from the East have included bags of blood, hypodermic needles, and human body parts.

Tensions are mounting between importing and exporting States as States look for ways to control their borders. Tensions do not begin when Hoosiers stand up to express disdain for this reprehensible practice; tensions begin every time a State shirks its responsibility and sends its refuse across our Nation's highways without concern as to the impact on the place it will end up.

The need for Federal legislation is clear. In increasing numbers, States across the Nation are forced to become the unwilling repositories of other States' waste. States often find it more politically expedient to export their trash rather than to take the responsibility of making tough waste facility siting decisions at home—a practice which is protected under the auspices of the Commerce Clause.

States around the Nation are seeking solutions to the problem of landfills quickly filling to capacity. The EPA estimates that 80 percent of our Nation's solid waste—94 percent of Indiana's—is disposed of in landfills. As the EPA further notes, of the 20,000 landfills operating in 1979, more than 13,000 has closed by 1986. The EPA expects a further reduction to as few as 3,500 landfills by this year. Ironically, the interstate trash problem has inhibited the creation of new landfills at a time when our Nation's existing capacity is rapidly diminishing.

Some States, like Mississippi and New Mexico, have reacted by enacting moratoriums forbidding all new landfills sites. These bans are intended to stall projects directed for out-of-State trash. For example, in Lordsbury, NM, an east coast firm hoped to site a 22,000-acre landfill in order to rail in sludge from the East. States are being forced to take drastic measures, which often run counter to regional needs, to protect themselves from the influx of out-of-State waste.

Other States have, in effect, "nationalized" their trash industry. The State of Maine has banned for-profit trash facilities. Because public sector disposal facilities may discriminate between in-State and out-of-State waste, one way to eliminate unwanted trash is to restrict the commercial sector altogether. It is clear to me that if Congress fails to address the interstate trash problem, we will end up with a system far more destructive to commerce than would be the case if we affirmatively waived the Commerce Clause.

The out-of-State option is not only politically less painful for States than siting new capacity, it is often less expensive. According to estimates by the National Solid Waste Management Association, disposal costs in the Northeast average $45.48 per ton. In New Jersey, these tipping fees top $100 per ton. Compare this to the bargain basement average fee of $17.95 charged in the Midwest, or the even cheaper fees levied in the South—$15.87, and the West—$13.06. The incentive for taking the easy road to trash disposal is quite apparent. Mr. President, as long as this economic incentive remains, States will continue to "pass-the-trash" by shipping its refuse out of State.

Transporters of solid waste are also attracted by this economic incentive. Hauling garbage is certainly a profitable venture. Rates to transport solid waste run between $1.25 and $1.75 per mile. General freight rates run between 80 and 90 cents per mile in the Northeast, giving rise to the backhauling problem.

Last year, our State legislature took action to control this growing problem; however, on December 26, 1990, a Federal judge struck down our Indiana law designed to afford Hoosiers some protection against out-of-State garbage. Requirements that haulers certify where waste was generated, certifications that imported waste contain no hazardous or infectious waste, and imposition of disposal fees equal to those in the place of origin were ruled violative of the Constitution's Commerce Clause.

States cannot independently regulate interstate commerce; however, Congress possesses that constitutional mandate. And the Senate has demonstrated its willingness to strengthen each States ability to responsibly protect its own environment. I, along with many of my colleagues representing importing States, am determined to ensure that this issue remains in the

forefront of our deliberations during the 102d Congress.

Action on the Resource Conservation and Recovery Act has been delayed for too long. I hope that my colleagues on the Environment and Public Works Committee have taken note of the intensity of the opposition to long hauls of trash and have seen the groundswell of support for limiting this offensive practice. While I am hopeful that we can work together to fashion solutions, our patience, as net importers of trash, is thin. Congress simply cannot ask States to handle their own waste disposal needs responsibly, without granting them the ability to control their borders.

I expect that RCRA will be considered in a timely fashion and that it will contain provisions as I have proposed offering immediate relief to importing States. Our public policy needs to reflect simple equity and sound public policy. No State should be the unwilling dumping ground for other States' waste.

The amendment which I brought before the Senate last fall and which I have reintroduced reflects this principle. My bill authorizes States to impose immediate differential fees on imported trash. The revenue raised could be applied to groundwater monitoring and environmental restoration in the recipient States. In addition, if a State has demonstrated that it has taken responsible steps to manage its own solid waste, as evidenced through a 20-year management plan, it would allow States to ban or otherwise regulate out-of-State waste. The bill also authorizes interstate compacts for mutual cooperation in waste management.

Solid waste management has traditionally been a local and State responsibility. Interstate trafficking of trash is a relatively recent and completely reprehensible trend. This trend is growing and congressional action is needed now to restore to the States the authority historically theirs. Our neighborhoods and States must plan to reduce and dispose of their trash in environmentally sound ways. Simply shipping it across State lines for others to deal with will not be tolerated.

I want to personally thank my distinguished colleagues, Senators DOLE, MCCONNELL, BOREN, DOMENICI, GRASSLEY, FORD, and BURNS who are original cosponsors of my bill, S. 153. I thank them for their past support, and I look forward to working with them to ensure that no State unwillingly becomes the dumping ground of another.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,153d day that Terry Anderson has been held captive in Lebanon.

Shortly, Simon & Schuster will release a book by Terry Anderson's sister, Peggy Say, entitled "Forgotten." Her narrative recounts anxious moments, tremendous obstacles and, yes, triumphs. It tells of people who have facilitated and people who have obstructed her admirable crusade to free her brother. Let us pray that her efforts will soon culminate in the release of Terry Anderson.

Mr. President, an excerpt from her book appears in the February 11 edition of Newsweek magazine. I ask unanimous consent that this excerpt be printed in the RECORD at this point.

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

[From Newsweek, Feb. 11, 1991]

[Book excerpt]

FORGOTTEN

(By Peggy Say and Peter Knobler)

While my brother Terry Anderson was running around the world as a Marine, a combat correspondent in Vietnam, and a journalist for the Associated Press in South Africa and Beirut, I was busy raising two kids, getting divorced, remarried, moving around. I waited tables for years and then got into cooking and tending bar.

I never did know Terry all that well. He was seven years younger and sort of a nonentity in our family as a kid. Quiet, well behaved, he managed to carve a place for himself that nobody much noticed.

In 1979 we were sitting in the dead Florida quiet of my house, catching up. I asked him how he felt about what he was doing. He started talking about his life and his work, one and the same to him. Terry was caught up in the spirit of his job; he had the great ability to influence people by what he wrote, and he took that responsibility seriously. I liked his commitment to his work, his moral standards.

In 1984, Terry came home on leave again—but cocky, arrogant, kind of cold. I did not like what Lebanon had done to my brother.

Once he got back to Lebanon, Terry would call in Sundays, just to chat, and I began trying to get him home. He was telling me the latest of his adventure stories when I broke in. "Terry, the joke is over. It's time to get out of there."

"You don't understand," he told me. "They don't kidnap journalists. It would be counter-productive. These people need me; I tell their story to the world. That's my job and they know it."

Less than a week later, three men armed with automatic weapons wrestled Terry Anderson out of a car as he was returning from a tennis game.

AS MUCH NOISE AS POSSIBLE

A week after Terry was taken, we got a call from the State Department saying they wanted to send a representative to visit us.

"What should I do?" I asked the man.

"It's not my place to advise you," he told me, "but if I were you, I would make as much noise as possible. The State Department's official position is to tell you not to go to Washington, to keep a low profile. But you get your behind up there. Go see everyone you can see. Make them look you in the eye, so that every time they think of Terry Anderson, they'll see your face."

The Associated Press decided to arrange and pay for a three-day Washington blitz by Terry's Lebanese fiancée, Madeleine, my sister Judy and me. We were met, chaperoned and pointed in all the right directions by an AP representative, and coached on each meeting: "You've only got one line and you stick to it: Your brother is a hostage and you want him out. How can they help you, what advice can they give you?"

We saw the Algerians, the Germans, the Japanese, the Syrians. I'd never met anyone from any of those countries before. I had a hard time keeping them straight on a map. I was absorbing everything as fast as I could, but my head was buzzing.

Our chief contact at the State Department was a man named Bob Oakley. He was head of the Office of Counter-Terrorism.

We knew that Terry had been kidnapped by Islamic Jihad, specifically by a man named Imad Mughniyah, a member of the Shiite fundamentalist group called the Hezbollah. The Islamic Jihad had, in return for the release of the American hostages, demanded the release of seventeen Arab prisoners being held in Kuwait. The State Department and anyone even vaguely familiar with the situation over there, knew that the only prisoner the Hezbollah was really interested in was Mughniyah's brother-in-law, who had been sentenced to death for terrorism but had his sentence commuted to life in prison. The situation seemed obvious. "Why can't you talk to Kuwait," I asked Oakley, "and see if they are willing to deal?"

"Oh, Peggy," he said as he leaned back in his chair, "we couldn't possibly do that. We don't interfere in the internal politics of another country."

"Excuse me?" I had a hard time with that one. "My tax dollars are financing rebels in Nicaragua and you are going to sit there and tell me that we don't interfere in the internal politics of another country?"

Oakley just shrugged his shoulders. He seemed embarrassed.

Then came the TWA hijacking. TWA Flight No. 847 was going from Cairo to Rome with 153 passengers, including 104 Americans, when it was hijacked by two Lebanese Shiites. At first President Reagan took a hard line, saying there would be no concessions, no negotiations, no linkage between the passengers on TWA 847 and any prisoners held anywhere in the world.

Nineteen days into the hijacking, at one in the morning, I got a call from the State Department. The TWA hostages were supposed to get out the next day. In exchange for their freedom the Israelis had agreed—of course with U.S. blessings, though we've never admitted it—to release three hundred Shiite political prisoners. Our State Department liaison, Jackie Ratner, said, "Peggy, we have reason to believe that when the hostages reach Damascus, Terry and the others will be with them."

Terry's friends in Beirut were monitoring the situation. One called me the same night. "Peggy, you've been screwed. Reagan made a deal and he left out the seven. Reagan could not wait for the seven." The President didn't want to be embarrassed one moment longer.

The State Department used to send me photocopies of various newspaper articles, mostly concerning Terry. One day I turned one of those copies over and saw penciled notations on the back. It was somebody's notes on hostage Peter Kilburn! They were deal points.

According to these notes we knew where Kilburn was and who had him, and the captors wanted money. It was going to be a cash-for-hostage ransom—that simple. So much for not negotiating with terrorists. What was even more disturbing was that the exchange was within two days of being made—and then Ronald Reagan bombed

Libya. Kilburn and three other Western hostages were purchased by Libyan leader Muammar Qaddafi and killed. "Oh, my God!" said the State Department person who sent me the clippings. "Please send it back." I did, but not before I made some photocopies of my own.

THE SHERATON LOBBY CAMPAIGN

My visa for Syria came through after a trip to Athens at the invitation of Margaret Papandreou, then the wife of the Greek Prime Minister, a friend of Syria's President Assad.

The AP stringer in Damascus sent his Buick to the airport, a huge white American car that was extremely conspicuous on the Damascus streets, to take us to the Damascus Sheraton.

What a place! The buzz that runs through the Damascus Sheraton is the pulse of Middle Eastern politics. Almost every person coming into Damascus for high-level meetings or business is going to pass through that hotel's lobby. It is a huge space, broken up into many separate alcoves by pillows, and banquettes, and tables and chairs.

I staked out a sofa to the right of the bank of elevators and had a perfect view of everyone who came and went. I always carried a stack of photographs of Terry and I would say. "My name is Peggy Say and I'm here trying to get information about my brother, the hostage Terry Anderson. This is his picture. If you hear anything, I would truly appreciate your calling me. I will meet with anyone to get my brother home."

On about the fifth day I started toward General Alfeid, chief of the Arab Democratic Party and head of the Syrian army in Lebanon. I was only a couple of steps aways when he said, "I know, I know. You are Mrs. Say, you want your brother out. I have just come from President Assad's office and I am leaving right now for Beirut. I will try to find your brother." He had his hands up, almost physically warding me off, and was backing away as I was trying to buttonhole him. He seemed put-upon, half amused. I thought, "Pretty soon they're going to start greeting me with a whip and a chair."

Back home after three weeks. I began to think of myself as living in two worlds. Reporters would laugh at my appointment schedule posted on the kitchen. It would say things like "Get groceries. Make appointment with Syrian ambassador. Pick up dry cleaning."

GIVE OLLIE TEN DAYS

What began as a botched negotiation ended up as Iran-contra. There had been rumors floating around for months but the implications just seemed too bizarre to be based in truth; the U.S. selling arms to Iran through Israel? A low-level State Department functionary had mentioned it to me, so I assume that, if they were telling me, it was an open secret around State. Ambassador Richard Murphy, Assistant Secretary of State for Near Eastern and South Asian Affairs, had to have known that Marine Lt. Col. Oliver North was up to something. He had spent an afternoon telling me to shut my mouth and stop blasting the Administration for another ten days. "Give Ollie ten days," he had told me.

Although I never told him, my code name for Ollie was "Colonel Flagg," the secret intelligence agent in M*A*S*H who was always coming up with maniacal schemes. Still, there was only one man I had met in government who seemed to have the willingness, the zeal and the capacity to get my brother home.

Ollie was reluctant to stop the initiative because middleman profits made in the sale of arms to Iran were going to fund the contras in Nicaragua. Anyone who had been around Ollie for more than two minutes knew that he had two political priorities in his life; the contra rebels and the hostages in Lebanon. Having stumbled into a major initiative that could conceivably have resolved both dilemmas, Ollie rolled up his sleeves and started dealing.

And Ollie North didn't happen in a vacuum. There were officials in high places who made the decision to "let Ollie do it." Tired, overburdened, and slightly crazed with power, Ollie *did* do it. At least Ollie accepted his part of the blame.

People found it difficult to criticize President Reagan. They had no such difficulty castigating the hostage families and me. It was as if we personally had strong-armed the President into defying national policy, or breaking the law.

Early in January 1990 I got a call from Larry Heinzerling at the AP. They were developing an extensive itinerary for me—a month-long trip to Switzerland, Paris, London, the Vatican, Syria and Tunisia.

In Tunisia, we had been told we would see Yasser Arafat. Two cars screeched into our hotel parking lot and a band of PLO guys jumped out and began waving us in. Everybody had an automatic weapon. We drove a short way down the road and turned sharply into a compound.

The place was teeming with people. Mostly it was young Arab men, PLO security in casual dress. Weapons but no uniforms.

When I first saw Arafat he was sitting at the end of a long table on kind of a raised dais. The table was piled high with food and every seat was taken. Arafat waved several people away from the table to make room for us. Seated on Arafat's left, I was startled to see him without his head gear—completely bald. When photos were taken, he put on a hat.

In front of me was someone else's meal. They took that away and brought me a fresh plate but left the used cutlery and the smudged water glass. Arafat leaned over and, with his hands, plopped a huge hunk of lamb onto my plate.

It was obviously not the time for a discussion. In fact Arafat was not addressing me at all. Suddenly he gave a grunt, leapt out of his chair, and started striding across the living room next to where we were eating. I thought, "Now we're going to have our meeting." I got out of my seat and began to follow him. The rest of our AP entourage got up and followed me. Behind one couch was a hallway and Arafat careened on ahead. I was a couple of steps behind, trying to catch up, but at the end of the hall I lost him. The AP gang piled into me like the Three Stooges in the Casbah. Behind us a women was screaming. "What are you doing. The chairman is going to the bathroom!"

The PLO boys with their automatic weapons were just about rolling on the floor with laughter. The whole place erupted. By now it's probably part of PLO lore, the time that American hostage lady followed the chairman to the john.

When Arafat emerged it was indeed time to talk. Arafat was sympathetic. He said that, over the years, he had done what he could to help get the hostages freed. Now, however, the situation was beyond his influence. Arafat also said he would be in a better position to free my brother were it in the power of the captors to do so. But they basically no longer had any say. Those decisions were being made in Iran.

This was more confirmation than surprise. We had heard that if it were up to Iran's President Rafsanjani the hostages would have been released in November. There had been a plan to that effect. However, the hard-liner Ali Akbar Mohtashemi, the new political leader of Hezbollah, had made a three-week trip to Lebanon, taken over their control and moved them out of reach of Syria.

In Syria, officials wanted the captors to know that enough was enough. They were saying, "If you're going to cut a deal for these people, you'd damn well better do it now because they are rapidly decreasing in value," and they wanted that message to come from me. It was to be a taped interview and I was terrified that I was going to say something wrong and get my brother killed.

What I said on Syrian TV was this: "The captors ask for ransom. If I had ten million dollars in my hands today and they said, 'Give it to us and we'll give you your brother.' I'd say, 'Not a dime. Not a *dime!* I'm not going to pay anymore. I've paid. My family has paid in pain and heartache.'"

THE GULF WAR

I had been convinced after my trip in February and a subsequent meeting with President Bush that we were definitely on the road to resolution.

Rumors began surfacing from reliable sources that the hostages were coming home; August was the month, and once again hope was nurtured. There was nothing that could happen this time, I was sure, that could possibly derail the initiatives to release the hostages.

On August 2, 1990, President Saddam Hussein's Iraqi army invaded Kuwait, and once again the mess hit the fan.

Not only did the Iraqi invasion create a world crisis, it had a direct effect on Terry and the other hostages. Imad Mughniyah's brother-in-law and the other prisoners being demanded by the captors in exchange for the Western hostages were in jail in Kuwait, enemies of the invading Iraqi government. For days we agonized over their fate. Would Hussein's army summarily execute them? Would they be used as bargaining chips in interregional prisoner swaps? Had they escaped? [U.S. officials told Newsweek that all the prisoners had escaped to Lebanon or Iran, but that Iran might not jeopardize its neutral stance in the gulf war by pressing for release of the Beirut hostages.]

Our cause was in the toilet again as thousands of hostages were taken in Kuwait and the airwaves were filled with their pictures and stories. With thousands of innocent Americans caught up in international terrorist activities, few people wanted to hear about six hostages in Lebanon.

On August 24, Irish hostage Brian Keenan was released. I had very mixed feelings about going to Ireland to see him. It had been several years since I had had firsthand reports about Terry's life and conditions, and I wasn't at all sure that I wanted to hear about them now. What if things had deteriorated? What if Terry was sick or had lost hope?

Keenan hadn't seen Terry in almost a year but he said that the night before he was released he was taken into what he knew to be Terry and Tom Sutherland's room. He felt they had been taken out of there only temporarily because all their things were still there. He explored the room and found Terry's Bibles. Terry was doing a historical study of the Bible, he said, and had learned French from Tom. He had a Bible in French

as well as a Catholic and a Protestant Bible in English.

There also were two bolts on the wall that the hostages' eighteen-inch chains usually hung from. And pushed up next to the wall, close enough so Terry could ride it and still remain chained, was an exercise bicycle. That bizarre picture stayed in my mind, Terry in his underwear on his exercise bike. I could just kind of hear him clanking and pedaling, pedaling and clanking.

ANGER FADES

By the end I was trembling, shaking, and crying, and I just couldn't stop. I have always been afraid, in the back of my mind, that I was not doing the right thing for Terry.

Brian assured me that Terry was aware of what I was doing . . . and that he loved it. Terry had the best lines of communication of any of the hostages, he said, because of me: not only was Terry given the letters that we published in the Beirut papers on his birthdays, but everytime there was a story about my travels or meetings the jailers showed it to him.

"Why," Brian laughed, "they told him one time they were going to make you an honorary member of the Islamic Jihad. Terry said he didn't think you'd be too thrilled by that but thought they knew a fellow terrorist when they saw one."

There it was, the obvious opening for the dreaded question. There was no avoiding it.

"Brian, if they liked or admired what I was doing, does that mean that I prolonged Terry's captivity? Did they keep him so that I would continue to plead their cause?" I didn't know that I wanted to hear his answer.

"Hell, no," he said. "Terry said that he knew the day he was taken that it would be at least five years until he saw freedom again. He knew he'd be the last one out, and he's lived with that reality for the past five and a half years.

"What you've done is to provide him with a link to the outside world. Through your efforts he knows that he's not forgotten, that everyone has done their best to free him, and that one day, hopefully soon, he'll see freedom."

This didn't sound like the Terry Anderson I had known, or the Terry in captivity I had heard about. "Is Terry mad at the AP?" I aksed. "Is Terry mad at the government? Who's Terry mad at?"

Brian looked puzzled. "He's not mad at anybody, really," he said.

For the hostages, the five and a half years had been like they'd been for us, their families: cyclical. It's almost like the stages of grieving: first the denial, then the anger, finally the acceptance of what is. The hostages had passed through all those phases, and in the last year or two they had become very introspective, very moral.

They had made a pact with one another, Brian told me: they would do things with their lives on the outside that would have value, that would be moral, that would make a better world. And each would see to it that the promises they made in captivity were kept. If anybody started straying, the others would phone him up and say, "Hey, get back on line here."

I had kept a fantasy close to my heart. I had pictured myself taking Terry around to all the people who had turned their backs on me, everyone who had been callous or mean. I kept thinking, "All you people who hurt me, you just wait till my brother gets home. Are you going to be sorry."

It wasn't going to be. I was not going to get my revenge, as little and as unsatisfactory as it might have been. "Look, Peggy," Brian said, "there's nothing more you can do. Quit."

I was crying, just blubbering and shaking as I said to him, "Brian, I don't know how, I don't know how to stop what I'm doing. I don't know anybody I can go to who can reassure me that 'Yes, you've done everything you can, it's going to be over with. Go home.'"

Facing the fact of Terry's acceptance, his lack of anger, however, I felt mine starting to dissipate, almost a physical release at the anger leaving me. I realized I can't do any more than my part. I've had a role to play in this, and the very fact that we sustained an unpopular issue for five and a half years—that those who know there are hostages in Lebanon know Terry Anderson, that I've given him a future—has to be enough. I did the only thing I could do. Whether it was right or wrong, whether it did or did not prolong Terry's captivity, I couldn't not do it.

I love you, little brother, much more than I ever knew.

A VIGIL OF SPIRITUAL SOLIDARITY

Mr. MOYNIHAN. Mr. President, throughout this country large numbers of American citizens have responded to the war in the Persian Gulf with public displays of support for our efforts to repel Iraq's aggression in Kuwait. Others have expressed their support for our brave servicemen and servicewomen in the field while questioning the wisdom and timing of Operation Desert Storm. These disagreements remind us of how precious is our freedom of expression, a freedom that few enjoy in the Persian Gulf area.

I rise today to inform my colleagues of a unique program of public concern that will be conducted this Saturday and Sunday throughout North America. Tens of thousands of Jews of all ages will gather in over a thousand synagogues and Hebrew schools in at least 35 States and 6 Canadian Provinces to spend 24 hours in uninterrupted prayer and Torah study. These remarkable gatherings, which are rooted in a 2,000-year-old Talmudic tradition, will be dedicated to demonstrating spiritual solidarity with the people of Israel in this difficult hour. At the same time, the participants will be praying for the safety of American and allied forces in the Persian Gulf and for a speedy end to hostilities with a minimum of casualties on all sides of this conflict.

The Union of Orthodox Jewish Congregations; their dynamic youth division, the National Conference of Synagogue Youth; their rabbinic arm, the Rabbinical Council of America; the National Council of Youth Israel and the Association of Jewish Outreach Professionals are to be commended for organizing this creative and moving demonstration of spiritual strength and religious dignity.

IN HONOR OF THE MEN AND WOMEN WHO SUPPORTED THE IDEALS OF THE UNITED STATES

Mr. AKAKA. Mr. President, I stand here today with a profound sense of sadness over the loss of our loved ones in the Persian Gulf. I wish to extend my condolences and deepest sympathies to the families and friends of those who have lost their lives in support of our country.

Hawaii's first casualty of this conflict, Lance Cpl. Frank C. Allen from Waianae, HI, brings the stark reality of the war home to Hawaii.

I share in the loss of Corporal Allen and other brave Americans. They shall not be forgotten for their courageous dedication to the ideals of this Nation. They gave the greatest contribution—their lives—for the freedom and security of our country and the world. Their sacrifice will always be remembered as long as mankind strives to defend justice and peace.

I stand committed to the support of our men and women in the gulf today. The men and women serving in Operation Desert Storm need to know that we fully support their efforts and anxiously await their safe and swift return.

Mr. KOHL addressed the Chair.

EXTENSION OF MORNING BUSINESS

The PRESIDENT pro tempore. If the Senator will withhold, the time for morning business has expired.

Mr. KOHL. I ask for permission to speak as if in morning business for 6 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator is recognized for 6 minutes.

FAMILY PRESERVATION ACT

Mr. KOHL. Mr. President, last week I introduced the Military Family Preservation Act, S. 283. That legislation was a response to the fact that there are thousands of children who have been abandoned by parents who have been deployed to Operation Desert Storm. We have all seen the pictures of those children, many of them infants, crying as their mother or father hands them off to a relative or friend before departing for the gulf. We have also read the moving stories about these events which have appeared in the paper. I ask unanimous consent that one of these stories—from the New York Times—be printed in the RECORD at the conclusion of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. KOHL. Mr. President, I think the American people are most uncomfortable with a policy which defends our freedom by threatening the stability of four families.

The Military Family Preservation Act would do something about that. It would ask DOD to recognize the importance of the American family by balancing military needs and family obligations. Specifically, this legislation would require DOD to draw up regulations that would make it more likely tht the children of single parents and dual-career military couples would be able to stay with their parents and that our soldiers would be able to take care of their dependents.

I say that my bill would "make it more likely" because it does not contain a flat prohibition against deployments. We all recognize the reality of military necessity. The prime duty of a soldier, and of the Armed Forces, is the defense of our country. So this bill would not prohibit DOD from deploying a soldier to a combat zone if their presence there is essential to our efforts. All this bill asks DOD to do is develop regulations governing deployment decisions so that they will balance the multiple needs of our families and our country.

After all, we all recognize that a soldier is a soldier. He or she trains and prepares, and gets paid to be ready to go to combat. This bill is not intended, nor would it, by itself, provide an easy way to get out of combat. But it would force DOD to ask a simple question each time it makes a deployment decision, namely: How is this move going to affect the children, and—if the impact would be bad—is there another way to accomplish our mission without taking their parents from these children? Do we have to send this soldier/parent to the Persian Gulf or could they meet another need in West Germany or Fort Benning—where they could continue to care for their children and continue to meet other military needs.

In this day, Mr. President, with the number of families in our military and the huge variety of jobs necessary to maintain our defense, that simple question is not too much to ask.

Mr. President, I ask unanimous consent that Senators LUGAR, BRYAN, SIMON, REID, and SPECTER be added as cosponsors to S. 283.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KOHL. I also ask unanimous consent that letters endorsing our legislation from Family Service America, the Child Welfare League of America, the Children's Defense Fund and the American Psychiatric Association be printed in the RECORD.

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

FEBRUARY 1, 1991.

Hon. HERBERT KOHL,
U.S. Senate,
Washington, DC.

DEAR SENATOR KOHL: This letter is to inform you that Family Service America endorses and supports the Military Families Preservation Act of 1991 (S. 283). We have been pleased to participate in discussions that helped produce this legislation and encourage the full support of the Congress in achieving early passage.

Family Service America, founded in 1911, is an international nonprofit association dedicated to strengthening family life through services, education and advocacy. Family Service America's member agencies in the United States and Canada constitute the largest network of community-based, family counseling and support services in North America, serving more than 3.2 million people annually in 1000 communities. Many FSA member agencies operate in communities where military installations are located and have historically been available as a resource for military families.

Family Service America commends you for outstanding leadership in behalf of America's military families.

Sincerely,

JAN SEVERSON,
Chairman, Board of Directors.
GENEVA B. JOHNSON,
President and CEO.

CHILD WELFARE LEAGUE OF AMERICA, INC.,
Washington, DC, February 5, 1991.

Hon. HERBERT KOHL,
U.S. Senate,
Washington, DC

DEAR SENATOR KOHL: Thank you very much for meeting with me last week to discuss efforts to assist children and families throughout the country. The Child Welfare League of America (CWLA) is particularly grateful for your strong leadership and support for juvenile justice programs, and we look forward to working with you and your staff to improve and strengthen them.

CWLA is also pleased to support the Military Family Preservation Act which you have sponsored to help military families and their children. As you know so well, it is critically important that families remain together and intract whenever possible. The children of military personnel are especially in need of family nurturing and security in these troubled times, and your bill will help assure many children the parental love and support so essential to their growth and development.

Please let us know if you would like further information on family preservation issues or on other matters of concern to children and families.

Sincerely,

DAVID LIEDERMAN,
Executive Director.

CHILDREN'S DEFENSE FUND,
Washington, DC, February 6, 1991.

Hon. HERBERT KOHL,
U.S. Senate, Washington, DC.

DEAR SENATOR KOHL: The Children's Defense Fund strongly supports your efforts to protect the children of military personnel now serving in the Persian Gulf.

We, too, are concerned by current military personnel policies that allow married couples with dependent children and single parents to be deployed to the Gulf, leaving their children behind. For that reason, CDF is pleased to support your legislation, the Military Families Preservation Act, that will help military families remain together whenever possible.

We thank you for your commitment to these vulnerable American children in this time of crisis.

Sincerely,

MARIAN WRIGHT EDELMAN,
President.

AMERICAN PSYCHIATRIC ASSOCIATION,
Washington, DC, February 5, 1991.

Senator HERBERT KOHL,
U.S. Senate,
Washington, DC.

DEAR SENATOR KOHL: The American Psychiatric Association, (a medical specialty society representing over 37,000 psychiatrists nationwide) and the American Academy of Child and Adolescent Psychiatry commend you for your legislative leadership and responsiveness for the future well-being of our children, confronted with the tragic possibility of being orphans or without the care of another concerned, responsible and loving family member or friend as either both their parents serve or a single parent family member serves in Operation Desert Storm's combat zones.

Your legislation provides an opportunity for those serving in combat zones who have reason for concern, to put these concerns about their children first, to ensure the best possible care for their child or children, and to continue to serve but in other than a combat zone.

Your bill can and should initiate a critical policy discussion by the Congress and heighten public awareness that the future of our country not only depends on the preservation of our national security, but also on the security and stability of our children and their family relationships.

The American Psychiatric Association and the American Academy of Child and Adolescent Psychiatry applaud the timely leadership position that your bill and other similar legislative initiatives are taking for the well-being of the children of our military personnel and the need to begin to recognize the profound effects that current policy has on our children and society as a whole.

Sincerely,

MELVIN SABSHIN,
Medical Director.

Mr. KOHL. Finally, Mr. President, I want to recognize that other Members of the Senate, particularly Mr. HEINZ and Mr. SIMON—and Members of the House, particularly Ms. LONG and Ms. BOXER—are also working on this issue. Some favor a flat prohibition on the deployment of soldiers responsible for the care of dependents; others have broadened the definition of which conditions ought to prevent deployment.

All are motivated by a genuine concern for the well-being of our country and our soldiers. In the days ahead, I hope that we can all work together to come up with a common approach which will be acceptable to everyone.

Mr. President, I thank the Chair, and I yield the floor.

EXHIBIT 1

[From the New York Times, Jan. 31, 1991]

THE RESERVES: RIPPLES OF PAIN AS U.S. DIPS DEEPER INTO MILITARY

(By Peter Applebome)

Danette Gandy, a 24-year-old mother in Van Nuys, Calif., has not taken part in any military training since 1988 when she left active status in the Air Force Reserves.

Last week, much to her dismay, she received a Mailgram telling her she had been ordered to report Friday to Lackland Air Force Base in Texas as part of a widening military deployment that is bringing a new pool of inactive reservists into the mobilization for the war in the Persian Gulf.

Mrs. Gandy, trained as a medical technician, is one of more than 20,000 reservists ordered to report this week as part of the deployment of members of the Individual Ready Reserves, supplemental reservists in all military branches who are not assigned to specific units and who do not train but are kept on reserve status in an unpaid backup capacity.

Another 24-year-old mother in the supplemental reserves. Sara Davis Waters of Clarksville, Tenn., went to Federal court in Nashville trying to block her call-up to active duty. Mrs. Waters, an aviation mechanic, has a 2-year-old daughter and a husband already serving in the gulf.

DEEP INTO SOCIETY

Some supplemental reservists will report enthusiastically and others reluctantly. But the experience of Mrs. Gandy, Mrs. Davis and others called up is a reminder of how deep the military mobilization is reaching into American society, touching both regular reservists and those who assumed they were far removed from any likelihood of active military service.

"I signed up for an eight year agreement that said four years active and four years inactive," said Mrs. Waters. "Inactive means inactive to me. I thought when I did my four years I was finished."

The Army, Air Force, Navy, Marines and Coast Guard have 466,138 members in the Individual Ready Reserves. They are required to undergo an annual physical and remain eligible to be called up in times of national emergency, but they are not members of the Selected Reserve, the regular reserve that holds routine training exercises and meetings.

Army officials say the debriefing of all soldiers includes a review of their continuing obligations and that it is unlikely a call to duty can come as a complete surprise to reservists.

But some officials said that, although the nine-page contract new enlistees sign contains a reference to a possible call-up after the end of active duty, the information recruits receive could vary. Gladys Maeser, a public affairs specialist with the Army Reserve Personnel Center in St. Louis, Mo., said that "it is up to the recruiter" to fully explain to potential recruits that they may be activated in case of emergency.

Members of the individual Ready Reserve "are a mobilization asset," Ms. Maeser said. "That isn't totally understood by the entire reservist population."

The Army, the largest military branch, announced Jan. 20 that it was calling up approximately 20,000 reservists for up to a year to supplement the 180,000 regular reservists throughout the military who have already been called up. A smaller number of I.R.R. members have been called from the other branches. Officials say most supplemental reservists called up will be assigned to units in the United States or Europe but some will be assigned to the Persian Gulf.

Officials said 70 percent of the supplemental reservists called up have finished active duty in the past year and the rest have been out for longer. About 40 percent of the supplemental reserves have completed their active duty but have time remaining on their eight-year statutory military obligations.

Maj. Peter Keating, an Army spokesman, said most of those called up had special skills as medical personnel, truck drivers, mechanics, supply specialists and artillery personnel.

PREPARING FAMILY FOR A CALL

Many of the supplemental reservists are ready and willing to serve, even if it means going to war.

Roger Reese, who teaches Soviet History at Texas A&M University said he has prepared his family for a possible call-up and is prepared to go if called.

"As for war and my potential participation, I support what they're doing, said Mr. Reese, 31, who has a 9-year-old son and another child due Feb. 17. "Deep down it wouldn't matter whether I supported them or not, because I took an oath which I take very seriously."

But others are finding it extremely difficult to cope with the disruptions to their life.

RESENTING THE DISRUPTION

Mrs. Gandy, who has a 21-month-old baby and another five-month-old she is still nursing, said she was assured by the Air Force that if she were ever called up she would be deployed at nearby Norton Air Force Base.

Now, she is planning to leave her children with her mother, an hour from her home, so her husband can keep working while she is away.

She said she is not surprised she was called up but feels she was misled by the Air Force.

"I tried to get them to at least let me have an extension so I could get my children prepared to be with someone else or at least have time to wean my baby, but they said no," she said. "It's a nightmare. It's a terrible hardship for me and my family. We all feel really bad that our family is being stripped apart."

In Tennessee, Mrs. Waters, who was discharged from the Army in December 1989 and served with a National Guard unit from Smyrna, Tenn., until four months ago, has been granted a two-week extension after going to Federal court. She told the court her husband is already in Saudi Arabia and she has nowhere to leave her 2-year-old daughter.

"I'm willing to take a stateside assignment or anyplace I can bring my child," she said, adding, "My child deserves more than to have both parents leave."

Organizations that counsel servicemen, like the National Lawyers Guild, the American Friends Service Committee or the War Resisters League, say they have been swamped by calls from supplemental reservists searching for alternatives to service. The War Resisters League in New York said it has been getting about 45 calls a day.

Jon Carnero, a 20-year-old cannon fire directions specialist from Fresno, Calif., who leaves Thursday for Fort Sill, Okla., said he thought his two-year-active duty would end his service.

"When a good-looking guy comes to a high school in a uniform and offers you $6,000 for your education in college, it sounds like the whole world is being laid at your feet," he said. "I could kick myself now for how naive I was."

ORDER OF PROCEDURE

The PRESIDENT pro tempore. Under the previous order, there will now be a period of time under the control of the Republican leader; the time under the order is not to exceed 1 hour.

The Republican leader is recognized, and that period under the order will be used for morning business.

Mr. DOLE. Mr. President, I thank the distinguished President pro tempore. I wonder if I might, by unanimous consent, give control of the time to the distinguished Senator from California [Mr. SEYMOUR].

The PRESIDENT pro tempore. If there is no objection—the Chair hears no objection—it is so ordered.

Mr. DOLE. He will be the first speaker.

The PRESIDENT pro tempore. The Chair recognizes the Senator from California [Mr. SEYMOUR].

Mr. SEYMOUR. I thank the Chair. I thank the distinguished Republican leader.

CELEBRATION OF THE 80TH BIRTHDAY OF PRESIDENT RONALD REAGAN

Mr. SEYMOUR. Mr. President, it is an honor and a privilege to rise today and be the first of my colleagues to join in the celebration today of the 80th birthday of our Nation's 40th President, Ronald Wilson Reagan. As an American, as a Californian, and as a Republican, I am proud to join today's celebration of someone who is truly a great patriot and a great American.

In the midst of the difficulties that we face today, it is not hard to forget just how bad the troubles were that confronted this country a little over a decade ago.

At the dawn of the 1980's, we were a nation that seemed to have lost its moorings. At home, our economy was racked by double-digit inflation, high unemployment, and a prime interest rate of over 21 percent—the highest level since the Civil War. And abroad, many of our allies questioned our reliability and our resolve, wondering whether this country still had the resolve to defend our interests and those of our allies.

In short, we were in need of a leader, and America turned to Ronald Reagan.

Everyone here no doubt recalls the first time they met Ronald Reagan, and what impressions they came away with. For some in this Chamber, it was when he arrived in the White House. For me, it was 1966, when Ronald Reagan was campaigning to become Governor of the State of California.

Though our first encounter was brief, I came away from it struck by two things. One was personal—the fact that he is simply one of the most genuine and sincere people you will ever have the good fortune to meet. And second was the sense you get that here is a true leader, who is committed to a set of principles and has the conviction to put them into action.

And as Ronald Reagan's star grew brighter—as Governor, as a Presidential candidate, and as President—millions of Americans got to know Ronald Reagan, and they knew instinctively that he had the vision and leadership to be President and to start a revolution unlike any in the previous four decades.

Mr. President, the Reagan revolution was not just a slogan. It was a statement that signaled a sea change in direction of American Government. It signified a change that Government should be the servant of the people, not its master. It signified that the best way to create growth and opportunity in this country is to remove the shackles of higher taxes and abusive Government regulation from their own citizens' lives. And it was a reaffirmation of faith in the individual, knowing that people, given the opportunity, will make the best choices for themselves, their family, their education, and their community.

The results were impressive. Under President Reagan's leadership, we saw the largest ever peacetime expansion of our economy, slashing inflation that was eating away at senior citizens' incomes and Americans' pocketbooks. Under his Government-should-get-out-of-the-way philosophy, America created over 20 million new jobs. And overseas, America's allies and her adversaries knew again that our pride, our confidence and our resolve were back, and that we were a force with which to be reckoned.

When President Reagan announced that he would negotiate with the Soviet Union from a position of strength, skeptics claimed his policy was either foolhardy or reckless. But the results have silenced his detractors.

Who would have thought back in 1981 that the cold war would begin to thaw within 8 years? Who would have thought that the United States and the Soviet Union would conclude the first treaty to eliminate an entire class of weaponry, and pave the way for the negotiations now underway to reach an accord on limiting strategic weapons. And who would have thought that after decades of repression and tyranny, the wave of democracy would sweep across eastern Europe—in Warsaw, in Prague, and in Berlin on one joyous night when the world watched the wall come down.

Mr. President, these remarkable accomplishments came about because Ronald Reagan had the ability to negotiate and persuade, but was bolstered in his negotiations by an American people and an American military whose morale was restored and whose strength was revitalized.

The fact that our forces in the gulf today are the best equipped, best prepared and best trained forces in the world is a direct result of President Reagan's commitment to rebuild our Nation's Armed Forces. And the fact that we have an unquestioned technological advantage in this war—from the Tomahawk cruise missile to the Patriot air defense system that has protected our troops and our allies—can be traced directly to President Reagan's commitment that American forces would never lack the best equipment to defend our interests.

All of this can be traced back to Ronald Reagan's basic principles—democracy, freedom, individual choice; and a strong defense as the best policy for peace.

And Ronald Reagan has the unique gift to touch the soul of the American people. We look back at some of his most memorable speeches and how they moved us. His speech in Normandy on the 40th anniversary of D-day, when he stirred our pride in recounting the bravery and heroism of the "boys of Pointe du Hoc." His speech after the *Challenger* disaster, when he helped console a grieving Nation. His speech in Berlin, when he challenged Mikhail Gorbachev to "Tear down this Wall!"

All of this, and much more, has ensured Ronald Reagan's place in American history as one of our most influential Presidents. And while we take time today to give our congratulations to Ronald Reagan, we would be remiss if we didn't take the time to express our gratitude to Nancy Reagan for all that she has done to help rid America's youth from the scourge of drugs. Because of her hard work, a generation of young Americans began to understand that "Just Saying No" to drugs and to alcohol was the right thing to do. Mrs. Reagan, you too have our thanks today as well.

Tonight in Los Angeles, friends, family, and world leaders will gather with Ronald and Nancy Reagan to celebrate his birthday and to reflect on all of the accomplishments and contributions he's made to our country. To President and Mrs. Reagan, though we cannot be with you in person, I hope you know that we are with you in spirit. And we wish you both many, many more years of health, happiness, and friendship.

God bless.

Mr. DOLE. Mr. President, will the Senator yield for 5 minutes?

The PRESIDENT pro tempore. Does the Senator yield for 5 minutes?

Mr. SEYMOUR. Yes.

The PRESIDENT pro tempore. The distinguished Republican leader is recognized for 5 minutes.

REAGAN'S 80TH BIRTHDAY

Mr. DOLE. Mr. President, 10 years ago, America was flat on her back. Our economy was a disaster. The only things up were inflation, interests rates, and unemployment—all in, or near, double digits.

Abroad, our resolve was questioned by our allies, and doubted by our adversaries.

Many so-called experts—including some in the Government—surveyed the situation, wrung their hands, shook their heads, and pronounced that the United States was in decline: That our best days were far behind us.

Ronald Reagan knew better.

Ronald Reagan knew that power belonged with the people, not with the Government.

Ronald Reagan knew that the best solutions to our problems came not from bureaucrats on the Potomac, but from men and women on the Mississippi, the Colorado, and the Columbia.

Ronald Reagan knew that economic recovery could be achieved not through regulations and redtape, but by allowing the "magic of the marketplace" to work its wonders.

Ronald Reagan knew that America was right far more often than she was wrong.

Ronald Reagan knew that military strength was not the means to war, but the key to peace—and this strength is paying off now in the Persian Gulf.

Ronald Reagan knew that world respect came not from appeasement, but from standing by your friends, by speaking up for freedom, and by drawing the line against dictators.

Ronald Reagan knew that America was still a "shining city on a hill," and that our Nation's best days were truly yet to come.

It was this vision that Ronald Reagan presented in 1980 and 1984.

It was this vision that the voters approved in overwhelming margins.

It was this vision that brought hope and opportunity to millions.

It was this vision that revitalized America, and changed the world.

Today is Ronald Reagan's 80th birthday. And along with sending my best wishes to President Reagan and his First Lady, I am certain that I speak for many in this Chamber, and for millions more across the globe, in saying "thank you, Mr. President."

Mr. HATCH addressed the Chair.

The PRESIDENT pro tempore. The time is under the control of Mr. SEYMOUR. To whom does the Senator yield?

Mr. SEYMOUR. I yield 5 minutes of my time to the Senator from Utah.

The PRESIDENT pro tempore. The Senator from Utah is recognized for 5 minutes.

Mr. HATCH. I thank my colleague from California.

PRESIDENT REAGAN'S 80TH BIRTHDAY

Mr. President, it is a privilege for me to come here today and wish a happy birthday to President Ronald Reagan. I have been a friend of his for many years, and my whole political life has been involved in trying to help him to be the great President that he was. I have to tell you that I think the United States of America and the whole world owes President Reagan a debt of gratitude for the farsighted approach

he had and he took, not only foreign policy-wise and strategic-wise and defense-wise, but also domestic-wise as well.

President Reagan inherited a situation that led to a recession in the first couple years of his first term. Those 8 years of economic expansion, if you count those 2 years, frankly, have been very beneficial to this country and have given us the strength to be able to move into this war in a manner that has befitted the greatest country in the world. If it had not been for President Reagan and his movement to try to strengthen this country and to keep the peace by being strong, I do not believe we would be in the enviable position we are today.

I have to say that I do not believe we would have been able to fly over 45,000 sorties since the beginning of the Iraq-Persian Gulf war. Really, if you stop and look at what really has been done over there, a lot of it has been the result of the preparation and efforts and downright guts and intelligence of President Reagan and those who served with him.

I have to say, domestically, too, the fight against drugs has been fought very strongly under the Reagan administration. Mrs. Reagan herself played a noble and very important role in the "Just Say No" Program and her advocacy against the use of drugs in this country. And we are winning that war. It is a slow and difficult process, but we are winning it. The example that they set has helped us with regard to that.

Regarding the criminal laws, one of the most comprehensive criminal code reform bills in history was the 1984 Act. The distinguished Senator from South Carolina and a number of the rest of us participated in it, and it could not have happened without Ronald Reagan and his service here in Washington, DC.

There are so many other things I would like to talk about, but I just want to say that I have watched Presidents come and go, and I have respect for all of them; I have respect for Democrats and Republicans alike; but I really believe that as history continues to unfold, as people continue to look at the last 10 years, as people continue to look in a justifiable and reasonable and honest way at what really was done, I believe Ronald Reagan will go down in history as one of the all-time great Presidents. I believe there are a lot of people on both sides of this floor who know that that is so.

I think it is important to point out, as well, that during the whole 8 years he was President, he never had an actual ideological majority in either House of Congress. Even at the height of the Republican throne during the first term of President Reagan, when we had 56 Republicans and 44 Democrats, there were at least 55 who sat in this body who probably would not have helped him in any way had it not been for his ability to bring to bear public opinion on these important issues.

So I just want to say, Mr. President, that Ronald Reagan deserves the thanks of every American, regardless of party and of ideology, and he deserves the thanks of all of us for the many things that he stood for. I have only enumerated just a few of them. He deserves our thanks for being such a pillar of decency and values in our society, because at a time when we needed it the most, he came in and stood for values, and that is something we need more and more of. His predecessor, Jimmy Carter, did also. I pay tribute to him as well. But I have to say that President Reagan was the right President at the right time for this country.

Today he is 80 years of age. I, for one, am glad that President Reagan is not only alive and well but continuing to serve this country in his own inimitable style, his own way, to help all of us have a better world. It is very fitting that he and Margaret Thatcher have been together this week, two old allies, two old friends who really have made a difference.

Mr. President, I have a lot more to say, but I will end with that.

Happy birthday, President Reagan. We love you, we appreciate you, we miss you, and we thank you.

The PRESIDENT pro tempore. The Senator from California has control of the time.

Mr. SEYMOUR. I yield 5 minutes to the distinguished Senator from South Carolina.

TRIBUTE TO PRESIDENT RONALD REAGAN ON HIS 80TH BIRTHDAY

Mr. THURMOND. Mr. President, I would like to take this opportunity to pay tribute to President Ronald Reagan, who is today celebrating his 80th birthday—just a young man. I join his many friends and admirers in wishing him much health and happiness in the coming years, and thank him for his innumerable and generous contributions to this great Nation of ours.

Mr. President, during my 36 years as a U.S. Senator, I have served with 8 of the 11 Presidents I have known personally, and have also had the occasion to learn about many more. I am frequently asked my opinion about the greatest Presidents in American history. Since the early 1980's, my response has always included the name of Ronald Reagan. I firmly believe that he is one of the finest men to have ever served in the Oval Office.

President Reagan restored the United States to its rightful place as the leader of the free world and reinvigorated our Nation's inherent sense of patriotism. Ronald Reagan gave new life to the meaning of the word "American," and he put a new spring in the step of proud citizens from coast to coast. He reminded us that the rich and noble history of the United States obliges us to lead the world today with the same high ideals that inspired our forebears. Most importantly, he sent us forth to accomplish these goals with a deep and abiding sense of pride about who we are and where we come from as Americans.

The positive effects of the policies Ronald Reagan set in motion as President continue to manifest themselves in the progress of the world today. His foreign policy and national defense strategy cleared the way for the winds of democracy which last year swept aside the Iron Curtain and astonished the world.

Those of us who served with him are all the better for the experience of knowing him, and our country is all the stronger today for his inspired and committed leadership. Ronald Reagan is a true patriot, a great American and a distinguished world statesman of whom we are all fiercely proud.

President Reagan was fortunate to have at his side such a lovely and dedicated wife. Mrs. Reagan was not only a devoted companion and his most loyal supporter but also an intelligent and trusted adviser.

My wife Nancy and our four children join me in wishing both President and Mrs. Reagan a special birthday filled with joy and happiness for them and their entire family.

The PRESIDENT pro tempore. The Senator from California has control of the time.

Mr. SEYMOUR. Mr. President, I yield 5 minutes of my time to the distinguished senior Senator from Idaho.

The PRESIDENT pro tempore. Mr. SYMMS is recognized for 5 minutes.

RONALD REAGAN'S 80TH BIRTHDAY

Mr. SYMMS. Mr. President, fourscore and zero years ago, this great Nation witnessed a new birth. It was then on February 6, 1911, that a son was born to John Reagan and Nellie Wilson Reagan in the town of Tampico, IL. But it was also the beginning of a new birth for this country that happened to come some 65 years later, and that is the day 80 years ago when President Ronald Wilson Reagan was born.

We all know of his charm, brilliant career, wit, leadership, and strength. But let us take a moment to remind ourselves and our fellow Americans of the contributions President Reagan has made to our country.

It was Ronald Reagan who said, "Let me make our goal very clear: Jobs, jobs and more jobs * * * what is good for the American worker is good for America." It was Ronald Reagan who led the charge to restore the confidence in America's economy and confidence in the investors that put Americans back to work.

It was Ronald Reagan who said, "We must stand for our beliefs and our values and, in doing so, inaugurate a forward strategy for freedom." Because of that forward strategy for freedom, the

Berlin Wall collapsed and the freedom movement is alive in Eastern Europe.

Mr. President, I remind colleagues that we had fierce debates during the Reagan years in this Chamber over military spending. But it was President Reagan who said, I believe it's immoral to ask the sons and daughters of America to protect this land with second-rate equipment and bargain-basement weapons. If they can put their lives on the line to protect our way of life * * * we can give them the weapons, the training, and the money they need to do the job right."

About 11 years ago or a little over that, we had a disaster just trying to get some helicopters into the desert and it ended in failure, much less support 400,000 troops in the gulf. Today we have over 400,000 brave young American men and women performing with remarkable success against a brutal dictator in the Persian Gulf. They are the bravest, the best trained, and best equipped fighting force in the world. In large part we must give the credit to "the Gipper" for the fact that this actually happened. He was the catalyst that brought us together to get the legislation through the Congress to restore this credibility.

Only yesterday I had a visit from a former administrative assistant who is home on emergency leave from duty in the gulf, and he told me what a Herculean effort it is. It is just unbelievable to think of the logistics problems that we have by having this large of a force in this region. It is remarkable that we have been this successful.

Mr. President, I am also reminded that this morning in the Senate Finance Committee Ambassador Hills and others were there testifying about the new trade agreement with Mexico. We passed a trade agreement with Canada. We are on the way toward having one with Mexico, and I am reminded that in 1976 when I was running for reelection for Congress, former Governor Reagan came to Idaho, he was then seeking the Republican nomination for President, which he did not gain in 1976.

President Reagan unveiled in Boise, ID, back in 1976, his dream for a North American free trade zone, as we called it then. He said we have to pound out an agreement with Canada and Mexico where we can have free flowing trade, where we can have trade and growth and economic opportunity throughout the North American continent.

Here today, 14 years later, we are in the Senate Finance Committee now talking about legislation to make way for the negotiations, so that maybe part of that dream will come true.

So, as we continue to face new crises and new problems, I think we should be reminded of the words President Reagan spoke during his State of the Union address in 1985:

Don't let anyone tell you that America's best days are behind her, that the American spirit has been vanquished. We've seen it triumph too often in our lives to stop believing in it now.

Happy birthday, President Reagan. God bless you and God bless America.

I thank the Senator from California and yield the floor.

The PRESIDING OFFICER (Mr. ADAMS). The Senator from California.

Mr. SEYMOUR. Mr. President, I yield 2 minutes to the distinguished Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 2 minutes.

HAPPY 80TH BIRTHDAY, PRESIDENT REAGAN

Mr. LOTT. Mr. President, 2 weeks ago I received a call from Richard Pratts in Meridian, MS. He said, "Senator, why are you not speaking more about the things that Ronald Reagan did when he was President for this country and the impact it is having today in the Persian Gulf." He was right and, President Reagan, this one is for you.

We wish you a happy birthday on your 80th birthday and we thank you for all that you did for our country in the 8 years you served as our President. President Reagan will forever be one of our most memorable patriots.

It is no coincidence that the defensive missile which is saving countless lives in the Persian Gulf today, including those of our friends, the Israelis, is called the Patriot. The Patriot exists because of the commitment and determination of Ronald Reagan.

Vision, commitment, and determination are what made President Reagan perhaps our most magnificent President.

When Ronald Reagan came forward with his version for the strategic defense initiative as part of a defense buildup, he was opposed by disbelievers and others unwilling to commit to a strong national defense. But Ronald Reagan persevered in his typical fashion, and I am sure he is both perplexed and amused these days over the astonishment being expressed by those same disbelievers that SDI works and that Stealth works.

Every time I hear reports of the effectiveness of our military in the Persian Gulf and the accuracy of our high-tech weapons, I am ever mindful of the leader who fought so hard for their funding, who cared enough to provide the best for our troops, and who dedicated his Presidency to protecting the freedom of peace-loving people everywhere.

As historic as Ronald Reagan's 8-year Presidency was, the revolution he began in office continues to unfold today through some of the most dramatic events seen in our Nation's history. The democracy movements in Eastern Europe, the tearing down of the Berlin Wall, all have a direct track to President Reagan's nonnegotiable stance against communism and for freedom everywhere.

Even on the domestic front, when the United States is facing a period of economic downturn, we can appreciate the President who was at the helm during this country's longest period of sustained economic growth and job production.

I note that his good friend Margaret Thatcher, Great Britain's former Prime Minister, will be with him tonight in California for the birthday celebration. How appropriate that these two leaders should be reunited for Ronald Reagan's 80th birthday, and how grateful I am that he chose to give his country 8 of those years, a period which historians certainly will record as among our country's finest.

I wish him the best on his 80th birthday.

The PRESIDING OFFICER. The Senator from California.

Mr. SEYMOUR. Mr. President, I yield 3 minutes of my time to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 3 minutes.

RONALD REAGAN'S 80TH BIRTHDAY

Mr. WALLOP. Mr. President, on the occasion of former President Ronald Reagan's 80th birthday, it is only fitting that we pay tribute to this man whose remarkable accomplishments I believe are not yet fully appreciated.

When many Americans think of Ronald Reagan, they think of his strong convictions, his warm personality, his love of humor, and is indomitable spirit. While he certainly possesses all of those admirable qualities, it would be an injustice for history to view him as simply a "kind ole gentleman." There was another side of Ronald Reagan, a side that I feel more accurately reflects the genius of the so-called Reagan revolution.

Like President Reagan, Winston Churchill was tremendously witty. However, as Ronald Reagan noted in an 1982 address to Members of the British Parliament, there was a particular special attribute which distinguished Churchill as a great statesman. According to President Reagan, Churchill possessed "the gift of vision, the willingness to see the future based on the experience of the past." Whether he knew it or not at the time, Ronald Reagan possesses this same quality. For this reason, I believe future generations will view Ronald Reagan as unique and heroic in his time, just as we consider Churchill as being unique and heroic in his own.

I would like to share with my colleagues a sampling of Ronald Reagan's rare ability. In that 1982 speech in London, Ronald Reagan remarked that, "We live now at a turning point."

In an ironic sense Karl Marx was right. We are witnessing today a great revolutionary

crisis, a crisis where the demands of the economic order are conflicting directly with those of the political order. But the crisis is not happening in the free, non-Marxist West, but in the home of Marxism-Leninism, the Soviet Union. It is the Soviet Union that runs against the tide of history by denying human freedom and human dignity to its citizens.

Mr. President, let me remind my colleagues that this speech was made 3 years before Mikhail Gorbachev came to power in the Soviet Union.

In many other areas, Ronald Reagan's supposedly quixotic notions now seem quite reasonable—even ordinary. This Senator, probably more than others, remembers the years of ridicule heaped on Ronald Reagan following the March 23, 1983, speech announcing the strategic defense initiative. In that speech, President Reagan asked the question, "Wouldn't it be better to save lives than to avenge them?" In light of the Patriot missile's remarkable success in the Persian Gulf—especially the luxury it affords Israel to show restraint in the face of a merciless assault from Iraq—I doubt any of my colleagues would dare question whether that money was well spent.

Despite the efforts by the liberals in Congress and the media to denigrate the feasibility of such an initiative—terming the effort star wars, for instance—we should remember what Ronald Reagan actually said on that fateful day. He did not promise instant success—far from it. He said, "This is a formidable, technical task, one that may not be accomplished before the end of this century. * * * It will take years, probably decades of effort on many fronts. There will be failures and setbacks, just as there will be successes and breakthroughs."

Finally, in his 1982 State of Union Address, President Reagan described the predicament confronting Americans on the home front, one we are still battling today. "Our citizens feel they've lost control of even the most basic decisions made about the essential services of government, such as schools, welfare, roads, even garbage collection," he observed. "And they're right. A maze of interlocking jurisdictions and levels of government confronts average citizens in trying to solve even the simplest of problems." And in words that accurately depict the current mood in America, he noted, "They don't know where to turn for answers, who to hold accountable, who to praise, who to blame, who to vote for or against."

Just as America stood at a crossroads when Ronald Reagan became President in 1981, our Nation today faces a crucial decision: Which course to follow, in which direction to lead. This Senator believes Ronald Reagan left us in a far better position to control our own destiny. What will we now do with that legacy?

In the Soviet Union, will we dedicate ourselves to helping the vast majority of people striving to be free and to govern themselves? Or will we cast allegiance to a man who has retrenched from his reformist agenda and has now pledged himself to the reactionary forces?

Will we acknowledge the fruits of our SDI research and devise systems for protecting the American people from ballistic missile attack? Or will we simply chalk the recent successes up to good fortune and continue to bankrupt the program responsible for them?

Will we commit ourselves to following the course of Eastern Europe and elsewhere and unburden the American people from the weight of an intrusive Government? Or will we irgnore the lessons others have learned and continue to subjugate our citizens with programs they do not need, regulations they do not want, and debts they cannot afford?

Mr. President, let us not squander the legacy President Reagan left us. It would be tribute enough, I am sure, if we were simply to build on this heritage and improve the future for both our own Nation and the world around us.

Last, Mr. President, let me show a cartoon by the cartoonist, Jules Feiffer, not known particularly for his conservative sentiment. But the text of this goes along as Feiffer cartoons do. In the first picture it says:

TEXT OF FEIFFER CARTOON

When that fool, Reagan, called the Soviet Union "the evil empire", I knew we were headed for war.

When that fool, Reagan, gave a blank check to the arms race, I knew the odds favored nuclear annihilation.

When that fool, Reagan, launched star wars on the premise that the Soviet Union would go broke trying to keep up, I knew he was a dangerous kook living in a never-never land.

When the Soviet Union went broke, surrendered its empire and called off the cold war, I knew it was Gorbachev's genius and Reagan had nothing to do with it.

Because if that fool, Reagan, was right all along. * * * What kind of fool am I?

Mr. President, God bless you, have a happy birthday, Americans owe you a tremendous debt.

Mr. President, due to the length of each of President Reagan's speeches I have mentioned, I ask unanimous consent that the full text of only one of them—the 1982 speech before Members of the British Parliament—be printed in the RECORD in its entirety.

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

ADDRESS TO MEMBERS OF THE BRITISH PARLIAMENT, JUNE 1, 1982

My Lord Chancellor, Mr. Speaker:

The journey of which this visit forms a part is a long one. Already it has taken me to two great cities of the West, Rome and Paris, and to the economic summit at Versailles. And there, once again, our sister democracies have proved that even in a time of severe economic strain, free peoples can work together freely and voluntarily to address problems as serious as inflation, unemployment, trade, and economic development in a spirit of cooperation and solidarity.

Other milestones lie ahead. Later this week, in Germany, we and our NATO allies will discuss measures for our joint defense and America's latest initiatives for a more peaceful, secure world through arms reductions.

Each stop of this trip is important, but among them all, this moment occupies a special place in my heart and in the hearts of my countrymen—a moment of kinship and homecoming in these hallowed halls.

Speaking for all Americans, I want to say how very much at home we feel in your house. Every American would, because this is, as we have been so eloquently told, one of democracy's shrines. Here the rights of free people and the processes of representation have been debated and refined.

It has been said that an institution is the lengthening shadow of a man. This institution is the lengthening shadow of all the men and women who have sat here and all those who have voted to send representatives here.

This is my second visit to Great Britain as President of the United States. My first opportunity to stand on British soil occurred almost a year and a half ago when your Prime Minister graciously hosted a diplomatic dinner at the British Embassy in Washington. Mrs. Thatcher said then that she hoped I was not distressed to find staring down at me from the grand staircase a portrait of His Royal Majesty King George III. She suggested it was best to let bygones be bygones, and in view of our two countries' remarkable friendship in succeeding years, she added that most Englishmen today would agree with Thomas Jefferson that "a little rebellion now and then is a very good thing." [*Laughter*]

Well, from here I will go to Bonn and then Berlin, where there stands a grim symbol of power untamed. The Berlin Wall, that dreadful gray gash across the city, is in its third decade. It is the fitting signature of the regime that built it.

And a few hundred kilometers behind the Berlin Wall, there is another symbol. In the center of Warsaw, there is a sign that notes the distances to two capitals. In one direction it points toward Moscow. In the other it points toward Brussels, headquarters of Western Europe's tangible unity. The marker says that the distances from Warsaw to Moscow and Warsaw to Brussels are equal. The sign makes this point: Poland is not East or West. Poland is at the center of Europen civilization. It has contributed mightily to that civilization. It is doing so today by being magnificently unreconciled to oppression.

Poland's struggle to be Poland and to secure the basic rights we often take for granted demonstrates why we dare not take those rights for granted. Gladstone, defending the Reform Bill of 1866, declared, "You cannot fight against the future. Time is on our side." It was easier to believe in the march of democracy in Gladstone's day—in that high noon of Victorian optimism.

We're approaching the end of a bloody century plagued by a terrible political invention—totalitarianism. Optimism comes less easily today, not because democracy is less vigorous, but because democracy's enemies have refined their instruments of repression. Yet optimism is in order, because day by day democracy is proving itself to be a not-at-

all-fragile flower. From Stettin on the Baltic to Varna on the Black Sea, the regimes planted by totalitarianism have had more than 30 years to establish their legitimacy. But none—not one regime—has yet been able to risk free elections. Regimes planted by bayonets do not take root.

The strength of the Solidarity movement in Poland demonstrates the truth told in an underground joke in the Soviet Union. It is that the Soviet Union would remain a one-party nation even if an opposition party were permitted, because everyone would join the opposition party. [*Laughter*]

America's time as a player on the stage of world history has been brief. I think understanding this fact has always made you patient with your younger cousins—well, not always patient. I do recall that on one occasion, Sir Winston Churchill said in exasperation about one of our most distinguished diplomats: "He is the only case I know of a bull who carries his china shop with him." [*Laughter*]

But witty as Sir Winston was, he also had that special attribute of great statesmen—the gift of vision, the willingness to see the future based on the experience of the past. It is this sense of history, this understanding of the past that I want to talk with you about today, for it is in remembering what we share of the past that our two nations can make common cause for the future.

We have not inherited an easy world. If developments like the Industrial Revolution, which began here in England, and the gifts of science and technology have made life much easier for us, they have also made it more dangerous. There are threats now to our freedom, indeed to our very existence, that other generations could never even have imagined.

There is first the threat of global war. No President, no Congress, no Prime Minister, no Parliament can spend a day entirely free of this threat. And I don't have to tell you that in today's world the existence of nuclear weapons could mean, if not the extinction of mankind, then surely the end of civilization as we know it. That's why negotiations on intermediate-range nuclear forces now underway in Europe and the START talks—Strategic Arms Reduction Talks—which will begin later this month, are not just critical to American or Western policy; they are critical to mankind. Our commitment to early success in these negotiations is firm and unshakable, and our purpose is clear: reducing the risk of war by reducing the means of waging war on both sides.

At the same time there is a threat posed to human freedom by the enormous power of the modern state. History teaches the dangers of government that overreaches—political control taking precedence over free economic growth, secret police, mindless bureaucracy, all combining to stifle individual excellence and personal freedom.

Now, I'm aware that among us here and throughout Europe there is legitimate disagreement over the extent to which the public sector should play a role in a nation's economy and life. But on one point all of us are united—our abhorrence of dictatorship in all its forms, but most particularly totalitarianism and the terrible inhumanities it has caused in our time—the great purge, Auschwitz and Dachau, the Gulag, and Cambodia.

Historians looking back at our time will note the consistent restraint and peaceful intentions of the West. They will note that it was the democracies who refused to use the threat of their nuclear monopoly in the forties and early fifties for territorial or imperial gain. Had that nuclear monopoly been in the hands of the Communist world. the map of Europe—indeed, the world—would look very different today. And certainly they will note it was not the democracies that invaded Afghanistan or supressed Polish Solidarity or used chemical and toxin warfare in Afghanistan and Southeast Asia.

If history teaches anything it teaches self-delusion in the face of unpleasant facts is folly. We see around us today the marks of our terrible dilemma—predictions of doomsday, antinuclear demonstrations, an arms race in which the West must, for its own protection, be an unwilling participant. At the same time we see totalitarian forces in the world who seek subversion and conflict around the globe to further their barbarous assault on the human spirit. What, then, is our course? Must civilization perish in a hail of fiery atoms? Must freedom wither in a quiet, deadening accommodation with totalitarian evil?

Sir Winston Churchill refused to accept the inevitability of war or even that it was imminent. He said, "I do not believe that Soviet Russia desires war. What they desire is the fruits of war and the indefinite expansion of their power and doctrines. But what we have to consider here today while time remains is the permanent prevention of war and the establishment of conditions of freedom and democracy as rapidly as possible in all countries."

Well, this is precisely our mission today: to preserve freedom as well as peace. It may not be easy to see; but I believe we live now at a turning point.

In an ironic sense Karl Marx was right. We are witnessing today a great revolutionary crisis, a crisis where the demands of the economic order are conflicting directly with those of the political order. But the crisis is happening not in the free, non-Marxist West, but in the home of Marxist-Leninism, the Soviet Union. It is the Soviet Union that runs against the tide of history by denying human freedom and human dignity to its citizens. It also is in deep economic difficulty. The rate of growth in the national product has been steadily declining since the fifties and is less than half of what it was then.

The dimensions of this failure are astounding: A country which employs one-fifth of its population in agriculture is unable to feed its own people. Were it not for the private sector, the tiny private sector tolerated in Soviet agriculture, the country might be on the brink of famine. These private plots occupy a bare 3 percent of the arable land but account for nearly one-quarter of Soviet farm output and nearly one-third of meat products and vegetables. Overcentralized, with little or no incentives, year after year the Soviet system pours its best resource into the making of instruments of destruction. The constant shrinkage of economic growth combined with the growth of military production is putting heavy strain on the Soviet people. What we see here is a political structure that no longer corresponds to its economic base, a society where productive forces are hampered by political ones.

The decay of the Soviet experiment should come as no surprise to us. Wherever the comparisons have been made between free and closed societies—West Germany and East Germany, Austria and Czechoslovakia, Malaysia and Vietnam—it is the democratic countries what are prosperous and responsive to the needs of their people. And one of the simple but overwhelming facts of our time is this: Of all the millions of refugees we've seen in the modern world, their flight is always away from, not toward the Communist world. Today on the NATO line, our military forces face east to prevent a possible invasion. On the other side of the line, the Soviet forces also face east to prevent their people from leaving.

The hard evidence of totalitarian rule has caused in mankind an uprising of the intellect and will. Whether it is the growth of the new schools of economics in America or England or the appearance of the so-called new philosophers in France, there is one unifying thread running through the intellectual work of these groups—rejection of the arbitrary power of the state, the refusal to subordinate the rights of the individual to the superstate, the realization that collectivism stifles all the best human impulses.

Since the exodus from Egypt, historians have written of those who sacrificed and struggled for freedom—the stand at Thermopylae, the revolt of Spartacus, the storming of the Bastille, the Warsaw uprising in World War II. More recently we've seen evidence of this same human impulse in one of the developing nations in Central America. For months and months the world news media covered the fighting in El Salvador. Day after day we were treated to stories and film slanted toward the brave freedom-fighters battling oppressive government forces in behalf of the silent, suffering people of that tortured country.

And then one day those silent, suffering people were offered a chance to vote, to choose the kind of government they wanted. Suddenly the freedom-fighters in the hills were exposed for what they really are—Cuban-backed guerrillas who want power for themselves, and their backers, not democracy for the people. They threatened death to any who voted, and destroyed hundreds of buses and trucks to keep the people from getting to the polling places. But on election day, the people of El Salvador, an unprecedented 1.4 million of them, braved ambush and gunfire, and trudged for miles to vote for freedom.

They stood for hours in the hot sun waiting for their turn to vote. Members of our Congress who went there as observers told me of a women who was wounded by rifle fire on the way to the polls, who refused to leave the line to have her wound treated until after she had voted. A grandmother, who had been told by the guerrillas she would be killed when she returned from the polls, and she told the guerrillas, "You can kill me, you can kill my family, kill my neighbors, but you can't kill us all." The real freedom-fighters of El Salvador turned out to be the people of that country—the young, the old, the in-between.

Strange, but in my own country there's been little if any news coverage of that war since the election. Now, perhaps they'll say it's—well, because there are newer struggles now.

On distant islands in the South Atlantic young men are fighting for Britain. And, yes, voices have been raised protesting their sacrifice for lumps of rock and earth so far away. But those young men aren't fighting for mere real estate. They fight for a cause—for the belief that armed aggression must not be allowed to succeed, and the people must participate in the decisions of government—[applause]—the decisions of government under the rule of law. If there had been firmer support for that principle some 45 years ago, perhaps our generation wouldn't have suffered the bloodletting of World War II.

In the Middle East now the guns sound once more, this time in Lebanon, a country that for too long has had to endure the tragedy of civil war, terrorism, and foreign intervention and occupation. The fighting in Lebanon on the part of all parties must stop, and Israel should bring its forces home. But this is not enough. We must all work to stamp out the scourge of terrorism that in the Middle East makes war an ever-present threat.

But beyond the troublespots lies a deeper, more positive pattern. Around the world today, the democratic revolution is gathering new strength. In India a critical test has been passed with the peaceful change of governing political parties. In Africa, Nigeria is moving into remarkable and unmistakable ways to build and strengthen its democratic institutions. In the Caribbean and Central America, 16 of 24 countries have freely elected governments. And in the United Nations, 8 of the 10 developing nations which have joined that body in the past 5 years are democracies.

In the Communist world as well, man's instinctive desire for freedom and self-determination surfaces again and again. To be sure, there are grim reminders of how brutally the police state attempts to snuff out this quest for self-rule—1953 in East Germany, 1956 in Hungary, 1968 in Czechoslovakia, 1981 in Poland. But the struggle continues in Poland. And we know that there are even those who strive and suffer for freedom within the confines of the Soviet Union itself. How we conduct ourselves here in the Western democracies will determine whether this trend continues.

No, democracy is not a fragile flower. Still it needs cultivating. If the rest of this century is to witness the gradual growth of freedom and democratic ideals, we must take actions to assist the campaign for democracy.

Some argue that we should encourage democratic change in right-wing dictatorships, but not in Communist regimes. Well, to accept this preposterous notion—as some well-meaning people have—is to invite the argument that once countries achieve a nuclear capability, they should be allowed an undisturbed reign of terror over their own citizens. We reject this course.

As for the Soviet view, Chairman Brezhnev repeatedly has stressed that the competition of ideas and systems must continue and that this is entirely consistent with relaxation of tensions and peace.

Well, we ask only that these systems begin by living up to their own constitutions, abiding by their own laws, and complying with the international obligations they have undertaken. We ask only for a process, a direction, a basic code of decency, not for an instant transformation.

We cannot ignore the fact that even without our encouragement there has been and will continue to be repeated explosions against repression and dictatorships. The Soviet Union itself is not immune to this reality. Any system is inherently unstable that has no peaceful means to legitimize its leaders. In such cases, the very repressiveness of the state ultimately drives people to resist it, if necessary, by force.

While we must be cautious about forcing the pace of change, we must not hesitate to declare our ultimate objectives and to take concrete actions to move toward them. We must be staunch in our conviction that freedom is not the sole prerogative of a lucky few, but the inalienable and universal right of all human beings. So states the United Nations Universal Declaration of Human Rights, which, among other things, guarantees free elections.

The objective I propose is quite simple to state: to foster the infrastructure of democracy, the system of a free press, unions, political parties, universities, which allows a people to choose their own way to develop their own culture, to reconcile their own differences through peaceful means.

This is not cultural imperialism, it is providing the means of genuine self-determination and protection for diversity. Democracy already flourishes in countries with very different cultures and historical experiences. It would be cultural condescension, or worse, to say that any people prefer dictatorship to democracy. Who would voluntarily choose not to have the right to vote, decide to purchase government propaganda handouts instead of independent newspapers, prefer government to worker-controlled unions, opt for land to be owned by the state instead of those who till it, want government repression of religious liberty, a single political party instead of a free choice, a rigid cultural orthodoxy instead of democratic tolerance and diversity?

Since 1917 the Soviet Union has given covert political training and assistance to Marxist-Leninists in many countries. Of course, it also has promoted the use of violence and subversion by these same forces. Over the past several decades, West European and other Social Democrats, Christian Democrats, and leaders have offered open assistance to fraternal, political, and social institutions to bring about peaceful and democratic progress. Appropriately, for a vigorous new democracy, the Federal Republic of Germany's political foundations have become a major force in this effort.

We in America now intend to take additional steps, as many of our allies have already done, toward realizing this same goal. The chairmen and other leaders of the national Republican and Democratic Party organizations are initiating a study with the bipartisan American political foundation to determine how the United States can best contribute as a nation to the global campaign for democracy now gathering force. They will have the cooperation of congressional leaders of both parties, along with representatives of business, labor, and other major institutions in our society. I look forward to receiving their recommendations and to working with these institutions and the Congress in the common task of strengthening democracy throughout the world.

It is time that we committed ourselves as a nation—in both the public and private sectors—to assisting democratic development.

We plan to consult with leaders of other nations as well. There is a proposal before the Council of Europe to invite parliamentarians from democratic countries to a meeting next year in Strasbourg. That prestigious gathering could consider ways to help democratic political movements.

This November in Washington there will take place an international meeting on free elections. And next spring there will be a conference of world authorities on constitutionalism and self-government hosted by the Chief Justice of the United States. Authorities from a number of developing and developed countries—judges, philosophers, and politicians with practical experience—have agreed to explore how to turn principle into practice and further the rule of law.

At the same time, we invite the Soviet Union to consider with us how the competition of ideas and values—which it is committed to support—can be conducted on a peaceful and reciprocal basis. For example, I am prepared to offer President Brezhnev an opportunity to speak to the American people on our television if he will allow me the same opportunity with the Soviet people. We also suggest that panels of our newsmen periodically appear on each other's television to discuss major events.

Now, I don't wish to sound overly optimistic, yet the Soviet Union is not immune from the reality of what is going on in the world. It has happened in the past—a small ruling elite either mistakenly attempts to ease domestic unrest through greater repression and foreign adventure, or it chooses a wiser course. It begins to allow its people a voice in their own destiny. Even if this latter process is not realized soon, I believe the renewed strength of the democratic movement, complemented by a global campaign for freedom, will strengthen the prospects for arms control and a world at peace.

I have discussed on other occasions, including my address on May 9th, the elements of Western policies toward the Soviet Union to safeguard our interests and protect the peace. What I am describing now is a plan and a hope for the long term—the march of freedom and democracy which will leave Marxism-Leninism on the ashheap of history as it has left other tyrannies which stifle the freedom and muzzle the self-expression of the people. And that's why we must continue our efforts to strengthen NATO even as we move forward with our Zero-Option initiative in the negotiations on intermediate-range forces and our proposal for a one-third reduction in strategic ballistic missile warheads.

Our military strength is a prerequisite to peace, but let it be clear we maintain this strength in the hope it will never be used, for the ultimate determinant in the struggle that's now going on in the world will not be bombs and rockets, but a test of wills and ideas, a trial of spiritual resolve, the values we hold, the beliefs we cherish, the ideals to which we are dedicated.

The British people know that, given strong leadership, time and a little bit of hope, the forces of good ultimately rally and triumph over evil. Here among you is the cradle of self-government, the Mother of Parliaments. Here is the enduring greatness of the British contribution to mankind, the great civilized ideas: individual liberty, representative government, and the rule of law under God.

I've often wondered about the shyness of some of us in the West about standing for these ideals that have done so much to ease the plight of man and the hardships of our imperfect world. This reluctance to use those vast resources at our command reminds me of the elderly lady whose home was bombed in the Blitz. As the rescuers moved about, they found a bottle of brandy she'd stored behind the staircase, which was all that was left standing. And since she was barely conscious, one of the workers pulled the cork to give her a taste of it. She came around immediately and said, "Here now—there now, put it back. That's for emergencies." [*Laughter*]

Well, the emergency is upon us. Let us be shy no longer. Let us go to our strength. Let us offer hope. Let us tell the world that a new age is not only possible but probable.

During the dark days of the Second World War, when this island was incandescent with courage, Winston Churchill exclaimed about Britain's adversaries, "What kind of a people do they think we are?" Well, Britain's adversaries found out what extraordinary people the British are. But all the democracies paid a terrible price for allowing the dictators to

underestimate us. We dare not make that mistake again. So, let us ask ourselves, "What kind of people do we think we are?" And let us answer, "Free people, worthy of freedom and determined not only to remain so but to help others gain their freedom as well."

Sir Winston led his people to great victory in war and then lost an election just as the fruits of victory were about to be enjoyed. But he left office honorably, and, as it turned out, temporarily, knowing that the liberty of his people was more important than the fate of any single leader. History recalls his greatness in ways no dictator will ever know. And he left us a message of hope for the future, as timely now as when he first uttered it, as opposition leader in the Commons nearly 27 years ago, when he said, "When we look back on all the perils through which we have passed and at the mighty foes that we have laid low and all the dark and deadly designs that we have frustrated, why should we fear for our future? We have," he said, "come safely through the worst."

Well, the task I've set forth will long outlive our own generation. But together, we too have come through the worst. Let us now begin a major effort to secure the best—a crusade for freedom that will engage the faith and fortitude of the next generation. For the sake of peace and justice, let us move toward a world in which all people are at last free to determine their own destiny.

Thank you.

Note: The President spoke at 12:14 p.m. in the Royal Gallery at the Palace of Westminster in London.

On the previous evening, the President was greeted by Queen Elizabeth II in an arrival ceremony at Windsor Castle, near Windsor, England. Later, the Queen hosted a private dinner for the President.

On the morning of June 8, the President and the Queen spent part of the morning horseback riding on the Windsor Castle grounds.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SEYMOUR. Mr. President, I yield 5 minutes to the junior Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas is recognized for 5 minutes.

THE DYNAMIC LEADERSHIP OF PRESIDENT RONALD REAGAN

Mr. GRAMM. Mr. President, I remember well that cold day, January 20, 1981. We were all dressed up in our tuxedos, and we were out on the West Front of the Capitol, and it was cold and we were there to witness the swearing in of a new President, Ronald Reagan.

I would like to remind my colleagues what the world was like at that time or, as our great President would say, take them for a trip down memory lane. The inflation rate was 13½ percent. Short-term interest rates were 21½ percent. On any given day, 50 percent of all the combat aircraft in America could not fly because of an absence of spare parts and a dearth of mechanics in the Air Force. Our ships did not sail because of inadequate crews. America's position of world leadership was threatened everywhere. The Social Security system was in the red. The economy was in the tank. Productivity was declining. And all around the world, people questioned what the future of America would be, and whether we would be the leader of the world.

Mr. President, all of that has changed. And it changed as the result of the dynamic leadership of President Ronald Reagan. We stopped the inflation. We reordered priorities. We provided incentives for people to work, save, and invest. And they worked, and saved, and invested, and we created 21 million taxpaying jobs for the future as a result. We reinvested in national security. And we have recruited and retained the finest young men and women who have ever worn the uniform of this country. And they wear that uniform with pride this afternoon in the Middle East and all over the world.

We employed the genius of American industry to build the best weapons that the mind of man could devise. We built them, we deployed them, and they are working today, and their effectiveness is a major source of America's strength and a major source of our security.

Social Security which was in the red is now in the black thanks to the leadership of Ronald Reagan. In short, we changed America by changing the policies of the Federal Government. In 1980, politicians told us America was in decline. The American people rejected that notion, changed the Government, brought Ronald Reagan to Washington, and the rest is history.

Mr. President, the Berlin Wall came down because of the leadership and the effectiveness of the policies of Ronald Reagan. And I think today, as we meet the challenges of the future, as we build on the legacy of the Reagan Presidency, I think it is important that we remember and follow the Reagan vision, a vision of free enterprise.

America is not a great and powerful country because the most brilliant and talented people in the world came to live here. America is a great and powerful country because it was here that ordinary people like you and me found more opportunity and more freedom than anybody else on the face of the Earth and throughout all of history had ever enjoyed.

Ronald Reagan, in a straightforward, clear-minded way understood that as well as anyone who has ever been President. Ronald Reagan understood that America was the leader of the world and we had to be strong militarily. We are strong today and now it is our task to keep it that way.

Ronald Reagan understood that trade was vitally important to America's future. And when we hear the siren song of protectionism, Mr. President, I submit that we should remember the voice of Ronald Reagan in reminding us that America is the leader of the world and has to trade and we have to do it effectively.

So I would simply like to say on our President's 80th birthday that, Mr. President, I want you to know that there are still many in Washington who miss you and who love you. We know you are glad you are there in California and not here with us. But I wanted, in my simple way, to say that you are remembered, that your great work serves the whole Nation, and we are proud you came our way.

Mr. SEYMOUR. Mr. President, I yield 6 minutes of time to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 6 minutes.

A GREAT MAN—RONALD WILSON REAGAN

Mr. MACK. Mr. President, I am honored to join with my colleagues to pay tribute to a great man, Ronald Wilson Reagan, who lifted the American spirit, defined America's destiny as the beacon of freedom, and allowed us to dream the dreams that built America into the shining city on the hill.

We all remember the election of 1980, when Americans were faced with one of the most simple, yet defining questions in American politics: "Are you better off now than you were 4 years ago?" Were we as Americans willing to accept that the once proud land of the free and the home of the brave was now worn and tired and lacked direction?

America said "No."

We chose Ronald Reagan as our President because Americans understand their role as the standard-bearers of freedom. With Ronald Reagan's election came a renewed vitality in America. A belief that freedom must ring from the bells of this great land and that opportunity was limited only by the height and width and depth of each person's dreams.

Ronald Reagan discovered the America that was there all along, waiting to be unshackled from a Government that dictated and demanded what was best for our lives instead of encouraging us to achieve what each individual dares to achieve.

There was a euphoria with Ronald Reagan in the White House that touched the heart of all Americans. I entered public service in 1982 because I wanted to play a role in the revolution they would name after President Reagan.

The Reagan revolution caught the spirit of America and rekindled the flame of freedom: free markets, free ideas, freedom in our foreign policy.

The Reagan revolution had no boundaries. The winds of freedom swept across America and gained a momentum that spread throughout the entire planet.

Freedom's ring was heard in Latin America, where nations turned back communism and accepted the free will of the people. In Eastern Europe, the rusted chains of totalitarianism were broken in the name of freedom.

One of the most memorable speeches that President Reagan gave was on June 12, 1987, at the Berlin wall. At the time, he said the wall would come down. We reacted with hope, but remained skeptical. Yet, Ronald Reagan taught us the lesson that free ideas will persevere through seemingly impossible conditions.

Let me quote from the speech:

As I looked out a moment from the Reichstag, that embodiment of German unity, I noticed words crudely spray-painted upon the Wall, perhaps by a young Berliner: "This wall will fall. Beliefs become reality." Yes, across Europe, this wall will fall. For it cannot withstand faith; it cannot withstand truth. The wall cannot withstand freedom.

He was right. The wall is now rubble.

His faith in freedom was never-ending. And never taken for granted.

Ronald Reagan knew that to preserve peace, we must be prepared to defend freedom.

The cost of freedom may be high, but no price is as high as the loss of freedom.

Ronald Reagan restored the lost pride in our military. He awakened in us the realization that we must stand ready in any part of the world to defend our freedoms.

I hate to think of what the world would be like today had America not been prepared. Would the cold war with the Soviet Union cast a chill over our existence? Would Saddam Hussein's Iraq become a world power? The Soviet Union came to the bargaining table ready to talk about scaling down the threat of nuclear weapons because of Ronald Reagan's policy of deterrence. Saddam Hussein is being stopped by our brave men and women in the Persian Gulf because of Ronald Reagan's policy or preparedness.

As he said in famous remarks to the brave men who fought over 40 years ago and died at Pointe du Hoc, France, on D-day:

We in America have learned bitter lessons from two world wars: It is better to be here ready to protect the peace, than take blind shelter across the sea, rushing to respond only after freedom is lost.

Ronald Reagan never lost his faith in a free mankind. He never doubted that freedom was more than a virtue, it was a right given to each of us by a sovereign God.

Ronald Reagan did not invent freedom. He defined it.

It has been said that: "There aren't any great men. There are just great challenges that ordinary men like you and me are forced by circumstances to meet."

Ronald Reagan proved that to be untrue. For through his wit and humility, he carried his role in history as the man who gave freedom a face.

And through his undying faith in those who entrusted in him the role as their leader, Ronald Reagan achieved greatness.

God bless you, President Reagan. We thank you. And may God bless America.

Mr. President, I ask unanimous consent an article by Paul Craig Roberts from the February edition of Commentary entitled "What Everyone "Knows" About Reaganomics" be printed in the RECORD following my remarks. It is an excellent summary of the legacy of President Reagan's economic policies.

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

[From Commentary, February 1991]

WHAT EVERYONE "KNOWS" ABOUT REAGANOMICS

(By Paul Craig Roberts)

What everyone "knows" about Reaganomics is that it failed. As the almost universally accepted story goes, the Reagan administration, influenced by supply-side theory, made a "Laffer-curve forecast" that its tax cuts would pay for themselves. Instead they produced surging budget deficits which saddled the U.S. with massive debt, financed by foreigners, to be repaid by future generations. The tax cuts also—so the story continues—fueled a consumption boom at the expense of savings and investment. Overconsumption at home led to an increase in imports, thereby adding a balance-of-trade deficit to the domestic budget deficit. These "twin deficits" were accompanied by a shift of the tax burden from upper- to lower- and middle-income classes, while unleashing a decade of greed on the one hand and, on the other, rising poverty and stagnation in median family income, all leading ultimately to a great crash.

We have all heard this litany of failure countless times from TV pundits and read it countless times in newspaper columns. Moreover, it has come at us not only from the Left but from across the full range of the political and ideological spectrum. Indeed, the most convincing purveyors of the litany have been members of Ronald Reagan's own entourage, such as his first Budget Director, David Stockman, as well as moderate Republicans like Richard Nixon's Secretary of Commerce, Peter G. Peterson, Senate Minority Leader Robert Dole, and House Minority Leader Bob Michel.

Turning to academia, we find that practically every economist anyone has ever heard of has jumped on Reaganomics with both feet. A typical example is Benjamin Friedman of Harvard in his book, "Day of Reckoning: The Consequences of American Economic Policy Under Reagan and After" (1988). Friedman's "most favorable construction" is that Reagan and his administration genuinely believed that "the incentive effects of across-the-board cuts in personal tax rates would so stimulate individuals' work efforts and business initiatives that lower tax rates would deliver higher tax revenues." His "darker assessment" is that the Reagan administration was not that stupid, and that the deficit was deliberately created to "mortgage the nation's future as a means of forcing Americans to give up government activities which they would otherwise have been able to afford."

According to Professor Friedman, then, the only two possibilities are that Reagan was either a fool or a knave:

"We shall probably never know which of these alternative accounts of the origins of the Reagan fiscal policy better describes what really happened. One one construction, it was an intellectual error of the first magnitude. On the other, it was deliberate moral irresponsibility on a truly astonishing scale."

Friedman, a liberal Democrat, was no doubt encouraged in this categorical judgment by the agreement of many Republicans within the profession, again including some who had worked for Reagan. Thus, at the annual meeting of the American Economic Association in 1985, Friedman's Harvard colleague, Martin Feldstein, who had been chairman of Reagan's Council of Economic Advisers, attacked supply-side economists for, among other things, forecasting that the reduction in tax rates would pay for itself in an increased revenue. Herbert Stein, who had been a member of Nixon's Council of Economic Advisers, also criticized Reaganomics for this same sin. Even Lawrence B. Lindsey, whose book, "The Growth Experiment" (1989), is a definitive account of the success of Reaganomics, states matter-of-factly that enthusiastic supply-siders claimed the tax cut would pay for itself.

Something is wrong when the American babble of competing voices can produce a uniformly inaccurate picture of the most discussed economic policy of this generation. For all these things that everyone "knows" with such certainty lack any basis in fact—and I stress that what is at issue here are precisely the basic facts of the case, not debatable interpretations of data. In particular, the Reagan administration did not predict that the tax cuts would be self-financing. It predicted the exact opposite—that every dollar of tax cut would lose a dollar of revenue. Moreover, as far as I can ascertain, no supply-side economist inside or outside the Reagan Administration ever said that tax cuts would pay for themselves.

President Reagan's economic program was set forth in an inch-thick document. "A Program for Economic Recovery," made available to the public and submitted to Congress on February 18, 1981. Tables in the document make it unmistakably clear that the administration expected the forthcoming tax cut to reduce revenues substantially below the amounts that would be collected in the absence of such a cut. Without the tax cut, revenues were projected as rising from $609 billion in 1981 to $1.159.8 billion in 1986. With the tax cut, they were projected to rise from $600.2 billion in 1981 to $942 billion in 1986. The total six-year revenue cost of the tax cut was thus estimated as $718.2 billion.

As the tax-rate reduction was expected to slow the growth of revenues, receipts as a percentage of GNP were expected to fall from 21.1 percent in 1981 to 19.6 percent in 1986. Accordingly, the document spelled out the necessity of slowing the growth of spending in order to avoid rising deficits. The administration planned to hold the annual growth of spending to 6 percent during 1981–84 and to 9 percent during 1984–86. On this basis, the Reagan budget projected a rise in spending (including the defense build-up) from $654.7 billion in 1981 to $912.1 billion in 1986.

A summary fact sheet showing the expected revenue losses and planned spending reductions was put out for wire transmission. Months of testimony and debate followed, during the course of which the massive revenue losses were in the forefront. After the Economic Recovery Tax Act of 1981 was passed, the Treasury Department issued to the media a comprehensive report on the legislation, including a three-page table detailing the revenue loss for each of its provi-

sions. (Between introduction and final passage of the bill, the estimated total six-year revenue cost had grown slightly, from $718.2 to $726.6 billion.)

But if Reagan in office never predicted self-financing tax cuts, what about Reagan on the campaign trail? Surely he made that claim?

As a matter of fact, he did not. In "Revolution" (1988), Martin Anderson of the Hoover Institution reproduces the economic plan issued by Reagan and his economic advisers (of whom Anderson himself was one) during the 1980 presidential campaign. That plan estimated that 17 percent of the revenues lost by marginal tax-rate reduction would be recouped by increased economic growth. In other words, far from claiming that tax cuts would pay for themselves, Reagan on the campaign trail predicted that they would forfeit 83 percent of the revenues which would otherwise have accrued.

If, however, Reagan officials and economists never made the infamous claim, surely proponents of the supply-side theory like Jude Wanniski, George Gilder, and Jack Kemp did?

But again, as a matter of fact, they did not. In 1975, in an article in the Public Interest entitled "The Mundell-Laffer Hypothesis," Wanniski claimed only that "sufficient tax revenues will be recovered to pay the interest on the government bonds used to finance the deficit" caused by cutting tax rates. In his book, "An American Renaissance" (1979), Jack Kemp used the Laffer curve only to explain why rising marginal tax rates are a disincentive and to argue against static revenue forecasts that ignore the effects of taxation on incentive. And in a letter to the Wall Street Journal in march 1980, Kemp said: "Under some circumstances, cutting tax rates will increase revenue; under others, reduce it."

True, in "Wealth and Poverty" (1981), George Gilder wrote that "lower tax rates can so stimulate business and so shift income from shelters to taxable activity that lower rates bring in higher tax revenue." But this was a nonspecific claim supported by studies of reductions in the top income bracket and in the capital-gains tax rates. Gilder also argued (as did Wanniski in his book "The Way the World Works") that when the top tax rate is reduced, the earnings of the rich rise, "and they pay more taxes in absolute amounts"—a contention that has since been substantiated by Internal Revenue Service statistics demonstrating unequivocally that during the 1980's, when the top tax rate was cut from 70 to 28 percent, the share of the income-tax revenues collected from the top 1 percent of taxpayers rose by 54 percent.

The kindest way to interpret the allegation that supply-siders predicted that the Reagan tax cut would pay for itself is that critics confused an exposition of the upper portion of the Laffer curve with a prediction of the revenue effects of specific legislation. To do so, however, they had to overlook what the supply-siders themselves were actually saying. In a piece of my own in the Wall Street Journal (April 24, 1980), I wrote: "The tax-cut movement in the Congress wasn't based on getting all of the revenues back so the government could keep on spending. Much less were tax cuts advocated as a revenue-raising measure. The issue was whether you got any revenues back as a result of incentive effects operating on the supply side of the economy." And in an earlier Wall Street Journal article (August 1, 1978), I argued that the combination of revenue feedbacks and increased saving would not result in inflationary deficits "if government spending in real terms could be held to current levels for about two years.

It is possible that some members of Congress may have avoided the question of whose ox would be gored with lower spending growth by hiding behind the Laffer curve. However, it is shoddy work for academic economists and financial reporters to misrepresent any such political statement as a government forecast. Moreover, none of the supply-side legislative measures ever claimed that tax cuts would pay for themselves. The two most successful such measures, the Holt Amendment (1977–78) in the House and the Nunn Amendment (1978) in the Senate, explicitly linked marginal tax-rate reduction with spending limits. There is thus literally no basis for the caricature of supply-side economics as the belief that tax cuts pay for themselves.

As for the Reagan budget deficits, close inspection shows them to be the product of an unsurprising failure and an unexpected success. The failure was on the spending side. During 1981–86 federal spending exceeded not only Reagan's targets but also the current policy projections. Instead of spending cuts from the projected baseline, there were—thanks mainly to Congress—spending add-ons. On the revenue side, conversely, there was a shortfall relative to the budget projections. But this was due not to overestimating the incentive effects of tax reduction, but to overestimating the inflation rate.

The accuracy of revenue forecasts is dependent upon the accuracy of forecasts of nominal GNP, which in turn depend on the forecasts of inflation and real economic growth. In the beginning of 1981 the Reagan administration forecast 11.1 percent inflation for the year, as measured by the consumer price index (CPI), and foresaw inflation falling to 8.3 percent in 1982, 6.2 percent in 1983, 5.5 percent in 1984, 4.7 percent in 1985, and 4.2 percent in 1986. At the time, these forecasts were ridiculed as a "rosy scenario," because they combined falling inflation with sustained real growth—an impossibility according to the "Phillips-curve" relationship which claimed to show that growth in employment and GNP had to be paid for with rising rates of inflation (just as lower inflation had to be paid for by rising rates of unemployment). Since most economists were under the sway of this theory, they refused to believe that the economy could expand for six years without sending inflation substantially higher. Indeed, in their view, to fuel spending through a tax cut when the CPI was already in double digits and when there was an inherited deficit of $70 billion, added up to a prescription for massive inflation.

As it turned out, the administration's inflation forecast was not optimistic but pessimistic. For 1981 the CPI came in at 10.3 percent, almost a point below the forecast. In 1982 inflation measured 6.2 pecent, more than 2 points (or 25 percent) below the forecast. In 1983 the inflation rate was 3.2, only half the amount forecast. In 1984 inflation measured 4.3 percent, 1.2 percentage points below forecast. In 1985 the inflation rate fell to 3.6 percent, almost a full point below forecast, and in 1986 it came in at 1.9 percent, less than half the rate forecast.

The cumulative effect of the unanticipated disinflation was a substantial reduction in the levels of nominal GNP, and hence in the tax base. By 1983 and 1984 nominal GNP was running $300 billion below forecast. In 1985 GNP was $500 billion below projections, and it was about $700 billion below in 1986. (In additon to all this, the 1982 recession, brought about by the Federal Reserve Board's fear of inflation, contributed to the loss of revenues by shrinking real output by 2.5 percent in that year.)

In short, intentionally or unintentionally, critics of Reaganomics misinterpreted the revenue shortfalls caused by the unexpected collapse of inflation and attributed them entirely to the tax cuts.

The insistence by Reagan's critics that the essence of supply-side economics consists of the belief that tax cuts pay for themselves is easy to understand. Without this strawman, there is no way to blame Reagan and supply-side economics for the budget deficits and alleged associated ills that have been used to paint a false picture of the 80's as a decade of failure. For if—as is the fact—Reagan predicted that the tax cut would lose revenues, then it was the conventional Phillips-curve economists who produced the revenue shortfall by overpredicting inflation. It was Paul Volcker, then head of the Federal Reserve Board, who drove down revenues by collapsing the real economy in 1982 in a mistaken attempt to counteract "inflationary tax cuts." It was Congress which inflated the deficit by busting every Reagan budget. And it was Reagan's "pragmatic" advisers, romanticized in the media for refusing to let Reagan be Reagan and veto congressional spending, who allowed the debt to grow out of control.

No matter where one looks, then, the facts contradict what everyone "knows" about the "failure" of Reaganomics.

Just as the case against supply-side economics collapses once there is no Laffer-curve forecast to blame for the deficits, so the debt-fueled-consumption/foreign-dependence argument unravels under close examination. Indeed, it appears that the same economists and pundits who lack the ability to look up the Reagan forecasts in public documents also lack the ability to read balance-of-payments statistics.

Between 1982 and 1983, when the U.S. became a net importer of capital, distinguished academic economists put out the story of foreign money pouring into America to finance overconsumption caused by the Reagan tax-rate reduction. This story became firmly fixed in the world's consciousness and was seen as further evidence that supply-side economics was just an extreme form of Keynesianism leading to excessive, unhealthy consumption. But this story also lacks any basis in fact.

Between 1982 and 1983 foreign-capital inflow into the U.S. actually fell by $9 billion. The change in the capital account of the balance of payments resulted from a $71-billion fall in U.S. capital outflows. During 1982–84 there was no significant change in the inflow of foreign capital into the U.S. However, U.S. capital outflows dropped, from $121 billion to $24 billion—a decline of 80 percent—throwing the U.S. capital account into a $100-billion surplus. It was this collapse in U.S. capital outflow that created the large trade deficit, which by definition is a mirror image of the capital surplus.

Why did American investors suddenly cease exporting their capital and instead retain it at home where it supposedly was subject to reckless policies of inflationary debt accumulation? After all, such a dangerous program as Reagan's was said to be would normally result in capital flight. Why then the sudden preference of American capital for the U.S. as compared, for example, to West Germany, a country with an economic policy that everyone considered sound?

The answer is so obvious that the only mystery is how economists and financial writers could have missed it. The 1981 business-tax cut and the reductions in personal income-tax rates in 1982 and 1983 raised the after-tax earnings on real investment in the U.S. relative to the rest of the world. Instead of exporting capital, the U.S. retained it and financed its own deficit.

As in the case of the tax-revenue shortfall, we are confronted with the spectacle of almost every economist misinterpreting the source of the capital surplus. Economists looked at the net figure, ignored its composition, and, seeing what they wanted to see, erroneously concluded that the net inflow was foreign money financing American overconsumption.

After convincing themselves and many others on the basis of this fundamental error that the U.S. was dangerously dependent on foreign capital, economists began warning of the consequences. The inflow of foreign money to finance our consumption, they declared, was keeping the dollar high, thus wrecking the competitiveness of U.S. industry. Furthermore, our addiction to foreign capital meant that the U.S. would have to maintain high interest rates in order to continue to attract the money, thus undermining U.S. investment and de-industrializing America. If U.S. interest rates or the dollar were to fall, foreign capital would flee, depriving us of financing for the "twin deficits."

This doomsday scenario was rapidly picked up by financial journalists and kept international financial markets unnerved. U.S. economic policy came under ever stronger criticism from our allies. America's "twin deficits" became the scapegoat for every country's problems.

Then, in the autumn of 1985, Secretary of the Treasury James A. Baker 3d engineered the political fall of the dollar, which plunged, along with U.S. interest rates, in 1986 and 1987. Remarkably, foreign capital inflows to the U.S. promptly doubled.

There are other prominent stars in the constellation of misinformation; the U.S. is the world's largest debtor nation; the U.S. has the world's largest budget deficit; and debt-fueled consumption brought on a U.S. savings crisis. Each of these widely believed allegations is a product of the economists' ability to mislead themselves and the public by failing to examine the data.

According to the conventional wisdom, the U.S. became a debtor nation in 1985. By 1988, we were $532 billion in debt to foreigners, as measured by the difference between their investments in the U.S. and our investments abroad. These allegations of massive indebtedness were used to demoralize Americans and to convince them that Reagan produced a temporary prosperity stolen from future living standards, as we would be forced to divert income to the service of foreign debts.

Yet even as economists and financial writers were painting this dismal picture of the U.S. as the world's largest debtor, official statistics showed the U.S. receiving billions of dollars in net creditor income. As it is not possible for a net debtor to have a net creditor's income, something was obviously wrong here. It was this; the data showing us to be a debtor nation were based on historical prices or book values that understated the market value of U.S. foreign investments by hundreds of billions of dollars.

It would have been correct for economists to point out the decline in the net-creditor position of the U.S. as foreigners found America during Reagan's second term a more promising place to invest than their own countries. But this perspective would have pointed to our success rather than to our failure. And in any case, the solution to the problem, if that is what it was, was not for the U.S. to wreck its own investment climate with higher taxes, but for foreigners to cut their tax rates so as to make their economies more attractive to their own capital.

During the 1980's economists made the U.S. budget deficit the scapegoat for the failure of European economies to create new jobs. Sucking away their capital to finance our deficit, it was said, saddled Europe with high unemployment rates. After listening to this story, our allies began demanding that the U.S. become a good world citizen and start cutting its budget deficit. Yet while in absolute dollar amounts, the U.S. in the 1980's did have the world's largest budget deficit, when measured as a percentage of GNP, which is the way economists usually measure deficits, the U.S. budget deficit throughout the 1980's was below the Organization for European Cooperation and Development (OECD) average (as the internationally comparable general government budget balances published twice a year by the OECD made perfectly clear).[1] For example, Canada, Holland, and Spain consistently ran deficits twice as large as ours, while Italy's was four times larger. British, French, and German deficits were not significantly lower, and the Japanese deficit had been lower only since 1984.

As a corollary to the budget deficit, there was the accumulated federal debt, which tripled under Reagan and became a "crisis" that would "doom our future." Yet under Reagan the federal debt as a percentage of GNP rose only slightly higher than the percentage which obtained when John F. Kennedy was President, and it was only one-third of the accumulated debt at the end of World War II. As that much higher debt burden did not destroy our economy or prevent the postwar expansion, why should today's much smaller burdendo so? One answer, given by the economist Paul Samuelson and others, was that we owed this earlier debt to ourselves, whereas we owed the Reagan debt to foreigners. Yet official statistics reveal that the proportion of U.S. debt held by foreigners peaked in 1979, prior to Reagan.

Nor were these the only numbers ignored by the economists. In the mid-1980's the Bank for International Settlements (BIS) published a table showing federal debt as a share of GNP for the U.S., Canada, Japan, and the European countries. Data were provided for 1973 and 1986 and the percentage increase was calculated. During 1973-86 in the U.S., the ratio of debt to GNP had grown 40.8 percent. However, in Germany and Japan, the supposedly successful countries against which our failure was measured, debt as a share of GNP had increased 121 percent and 194.2 percent respectively.

Which brings us to yet another thing everyone "knows": that the Reagan tax cut caused a savings crisis and a drop in investment, with concomitant declines in productivity and median family income accompanied by a rise in poverty. But here yet again the facts tell an entirely different story.

During the 1980's, prices of capital goods in the U.S. rose only about half as fast as the overall U.S. inflation rate. Unless a real or inflation-adjusted measure of investment is used, the decline in the relative price of capital goods can be misinterpreted as a fall in investment's share of GNP. For example, if the economy were adding new factories every year at a 10-percent higher cost, and if other prices were rising by 20 percent, the share of investment as a percentage of GNP would appear to be falling. Economists who have charged that the U.S. is undergoing "disinvestment" have confused themselves and the public by failing to use inflation-adjusted data.

On the surface, measuring investment net of depreciation, or replacement of the capital used in production, seems to be a more appropriate measure than gross investment. However, net investment understates the growth of our productive ability, because it fails to make any adjustment for the shift in the composition of investment from longer-lived assets, such as buildings, to shorter-lived assets, such as equipment, that generate more rapid depreciation. In other words, net investment can appear to be declining when what really is happening is a shift in the investment mix from plant to equipment. And so it has been in the past twenty-five years, during which equipment's share of investment has increased 25 percent. As a consequence there has been a rise in the depreciation rate. Little wonder that the net measure of investment has been falling as a share of GNP for a quarter-century.

In contrast, gross investment is not affected by a change in its composition. In real terms, gross investment as a share of GNP reached a postwar high in the 1980's. This investment performance greatly contributed to the recovery of U.S. productivity growth from its near standstill in the 1970's. Since 1981 American manufacturing productivity has been especially impressive, growing at almost double the postwar average.

During the past year or so, a few economists have finally begun to challenge the false image of American failures. In a recent issue of the Quarterly Review of the Federal Reserve Bank of Minneapolis, Fumio Hayashi of the University of Pennsylvania argues that "the apparent savings-rate gap between Japan and the U.S. is a statistical illusion attributable to differences in the way the two countries compile their national income accounts." Japan values depreciation at historical cost rather than at the higher replacement-cost figure used by the U.S. As a result, Japanese accounting understates the value of assets used in production and makes Japanese investment look higher than it is. The other major source of the savings-gap illusion is the American practice of counting all government expenditures—including roads, bridges, schools, and warships—as consumption, whereas Japan counts such spending as investment. Once the accounting systems are put on an equal footing. Hayashi finds, the notoriously wide difference in the savings rate disappears.

In 1989 two other economists, Robert E. Lipsey of Queens College and Irving B. Kravis of the University of Pennsylvania, who studied savings and investment rates in industrialized countries, reported to the Western Economic Association that the reputation of the U.S. as a nation of spendthrifts depends on careless comparisons and narrow measures of investment. When U.S. savings and investment are broadened to include education, military capital, consumer durables, and research and development, the U.S. rate of capital formation, on a per-capita basis, is seen to be 25 percent higher than the average of industrialized countries. They report that Japan is "at the bottom of the

[1] The hysteria over the U.S. deficit was so pronounced that it eventually spread to the OECD, despite its own published tables.

list in the share of investment going into education."

Other economists have exposed as seriously misleading the Census Bureau's statistics trumpeting the growth of poverty. These statistics, it turns out, omit from poor people's income $158 billion of in-kind assistance. As a recent Heritage Foundation report demonstrates, there are many other paradoxical elements in the Census Bureau's definition of poverty as well. For example, according to official government figures, 38 percent of the persons identified as poor by the Census Bureau own their own homes, of which more than 100,000 are valued in excess of $200,000; 62 percent of poor households own a car, with 14 percent owning two or more; nearly half of all poor households have air-conditioning; 31 percent of poor households have microwave ovens; 22,000 poor households have heated swimming pools or hot tubs. In real terms, Heritage calculates, per-capita expenditures of the lowest income fifth of the U.S. population in 1988 exceeded the per-capita income of the median American household in 1955. And international comparisons reveal that poor Americans eat more meat and live in larger houses and apartments than the average West European.

It is thus not unlikely that a significant percentage of the alleged 31.5 million poor Americans are poor only in a relative sense. But whatever their true number, it is certain that the long Reagan economic expansion, which created 20 million jobs without any rise in the rate of inflation, did not increase poverty.

The misinterpretation of Reaganomics by American economists and financial journalists is in some ways comparable to the misrepresentation by many intellectuals of Soviet experience, now fully exposed by Gorbachev's glasnost—only it is worse, because the evidence showing the origins of the U.S. budget deficit and capital surplus was readily available. The economists and the journalists simply ignored it and launched a crusade to drive out the devil of Reaganomics, which (among its other sins) had been guilty of doing what they said could never be done—creating 20 million new jobs without causing an increase in inflation.

Thanks to the accumulated economic misinformation and disinformation from the 1980's, the Bush administration—taking a step no administration has taken since the Great Depression—has supported tax increases as the economy was moving into recession. Pressed by conventional economists demanding tighter fiscal policy (that is, smaller budget deficits) and looser monetary policy (more money creation). President Bush agreed to raise taxes in exchange for lower interest rates. The combination of high taxes and easy money is the same policy mix that eventually produced the stagflation of the 1970's, from which Reaganomics extricated us, and it is bound to do us harm again.

Conventional economists, ignoring the lessons of their own textbooks (including even Keynes), have pronounced this disastrous policy mix a great victory for the economy. In the course of 1991 they will forget their role, of course, and blame the recession on Reagan's supply-side tax cut of a decade ago. And everyone will come to buy that story, too.

The PRESIDING OFFICER. The Senator has yielded the floor.

The Senator from California.

Mr. SEYMOUR. Mr. President, I yield 2 minutes of time to the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 2 minutes.

A HAPPY BIRTHDAY TO PRESIDENT RONALD REAGAN

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from California. I am pleased very much to join with my colleagues to wish former President Ronald Reagan a happy birthday today. There is only one slight drawback to this pleasant task: It is discouraging to see President Reagan looking younger every year as the rest of us grow steadily and obviously older.

The Bible tells us that "A prophet is not without honor, save in his own country." Since the same could be said for a prophet in his own time, it must be with the greatest satisfaction that Ronald Reagan has witnessed the vindication of his ideas, policies, and actions not only in his own country but during his own lifetime.

Ronald Reagan was once criticized as a cold warrior, but the truth is that he knew his candid description of the Soviet Union as an "evil empire" was an effective way to encourage the changes that would end the cold war rather than prolong it. When he called upon Mr. Gorbachev in Berlin to "tear down this wall," President Reagan showed that he understood better than most that straight talk is often the best way to speak out for freedom. It is also a characteristically American way, and it is his way.

Ronald Reagan was once attacked as a warmonger and weapons lover by those who never understood that peace comes through strength combined with wisdom. Today we see the Tomahawk cruise missile and the F-117 Stealth fighter—technologies the Reagan critics insisted "wouldn't work"—and Patriot missiles performing splendidly in the Persian Gulf, making accurate strikes and protecting civilians from the missiles of the dictator of Iraq. These new high-technology weapons are being used in concert with the guns of the venerable battleship, the U.S.S. *Missouri*, a vessel the Reagan critics would still have in mothballs. Not a bad record for what some skeptics once called "an untimely and impractical agenda."

While it is true that many changes in the world resulted from the deteriorating Eastern bloc conditions which inevitably accompany collectivism, there can be no doubt that Reagan policies helped stop the transfer of essential modern technology to the Soviets and made it impossible for them to win an arms race with the United States. It was precisely the Reagan combination of candor, courage, intransigence, and vision that helped produce the remarkable changes we see today, where the United States and the Soviet Union have joined to protect an innocent Arab nation from an Arab aggressor. If anyone had predicted this as little as 2 years ago, he or she would have been subjected to the most severe ridicule.

As the Gipper rides his horses, works around his ranch, and enjoys life in his beloved California—and as he views the fruits of his extraordinary foresight and his conscientious service to the Nation—let us join in wishing that this, his 80th birthday, is the best so far. Many happy returns, Mr. President.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from California.

Mr. SEYMOUR. I yield 3 minutes of time to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 3 minutes.

PROUD TO WISH HAPPY BIRTHDAY

Mr. DOMENICI. I thank my friend from California.

Mr. President, hereafter whenever I say "Mr. President" in my 2½ minutes, I am talking to Ronald Reagan.

Mr. President, I did not know you well when you became President of the United States. I think you know and I know I was not active in your campaigns, nor was I a part of that group that helped you start your national elective office and brought you here to Washington. But, Mr. President, I am very proud to wish you a happy birthday—and I use the word proud because I could give Senator GRAMM's speech, Mr. President, perhaps not as eloquent as he, but I could give a long litany of things that changed in America because you were here. But I think none of them would have changed if the American spirit had not changed.

I believe when you arrived in Washington, DC., the spirit of America was at an all-time low. That meant average Americans did not believe in their country's goodness; they did not believe that their country was a great country. And I have become convinced, Mr. President, that you were right; that unless you moved that spirit and raised Americans so that they were proud again, so that they believed America was proud and then that pride spilled over into their daily lives, this great democracy had no chance. The converse is true. America, without pride in itself, is dead. You brought it back to life, and what the world saw was a fantastic eruption, when that pride filled America, with can-doism everywhere and the world caught on and it became a can-do world.

You were not quite here long enough to see it spill over, and freedom, which is the natural result of being a friend of America and being an admirer of America, you must be free. You were not here long enough to see it where it caught on all over the world. I hope you are pleased with your 8 years as President of the United States because many of us who worked with you are, but I do not think that is very impor-

tant. What I think is extremely important is that America is much better because of you and, strangely enough, so is the world. Because when America is better off and proud and healthy and thinks well of herself, somehow or another, the world is better off.

Thank you very much. Happy birthday, Mr. President.

The PRESIDING OFFICER. The Senator has yielded the floor. The Senator from California.

Mr. SEYMOUR. Mr. President, I yield 3 minutes of time to the distinguished Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 3 minutes.

TRIBUTE TO PRESIDENT REAGAN

Mrs. KASSEBAUM. I thank the Senator from California. It is a great pleasure to join with my colleagues in paying tribute to President Reagan on his 80th birthday and extending to him and to Mrs. Reagan our best wishes for the future and our thanks for their years of dedicated service.

It was a great pleasure and an honor for me to serve in the Senate through the 8 years of Ronald Reagan's Presidency, with his obvious dedication to the goals which had always guided him and which he believed were important goals for this Nation, with his sense of humor, and with his recognition of the value of the traditions which have guided us in this country. He believed that had a message for the rest of the world. It was, indeed, a message that has served us all well.

As certainly we are all very aware now, we are engaged in a test of will between a ruthless dictator and an international coalition led by the United States. We should have no doubt about the outcome of this test. The international coalition will prevail, and it will do so in no small measure because of contributions made in years past by Ronald Reagan.

The American forces now assembled in the gulf and the international alliance itself might never have come into existence without the strong foundation laid by President Ronald Reagan. The same certainly can be said of the rapid improvement of United States-Soviet relations in recent years and arms control treaties already signed or now under final negotiations.

Ronald Reagan's gift to us all was an America strong enough to defend its interests and, perhaps more importantly, confident enough to negotiate with potential adversaries in seeking a better, more secure world. All of us owe a debt of gratitude to our former President, a debt that cannot and will not be forgotten. We can best repay that debt by building on the foundation he created for us.

Happy birthday, Mr. President, and many more to come.

The PRESIDING OFFICER. The Senator yields the floor. The Senator from California.

Mr. SEYMOUR. Mr. President, I would like to yield 4 minutes of time to the distinguished Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 4 minutes.

THE BOLD LEADERSHIP OF PRESIDENT REAGAN

Mr. D'AMATO. Mr. President, I am deeply privileged to be able to pay honor and respect and to join with my colleagues in extending President Ronald Reagan congratulations on his 80th birthday today.

Today more than ever, Mr. President, I think America should be grateful for the bold leadership of President Reagan. I recall the vilification the President and those who supported him received as it related to his policies of seeing to it that America was strong, that our young men and women, America's finest, had the best.

Mr. President, it was just last week this Senator returned from Israel and while in Israel saw brave people under ruthless terrorist attack as Saddam Hussein's Scuds came into Israel, as they created panic, as fear of gas attacks could be felt all over. The one thing that made this situation tolerable was a defensive system President Reagan worked for and supported, to see to it that it was enhanced. He had to fight both in 1985 and 1987 to see to it that the Patriot missile systems were enhanced.

I say thank God for President Reagan and for his leadership, for the fact he was undeterred by those who sought to paint him as one who wanted to spend more money on arms than were necessary. It was necessary, and the proof today is that our young men and women have the best so they can defend freedom. And, yes, it was Ronald Reagan who unshackled the productivity of America, who cut taxes, who gave people an opportunity to be what they could be, the best, who brought back and inculcated us with the spirit that we were the best and we could achieve anything.

That is so important for us to understand and to know.

It was Ronald Reagan who challenged the evil empire and called it for what it was, because it was, indeed, an empire that enslaved people and dashed their hopes and aspirations. That is what the Communist machine was.

We see freedom in Eastern Europe. We see freedom because Ronald Reagan was not afraid to stand up to evil and to say that we were not going to turn a blind eye to what others were doing. So our hopes for freedom and the aspirations of people throughout the world to seek to live in peace, yes, have been given a vitality, a vibrance. We see people who have that opportunity and would not have were it not for the bold, yes, decisive leadership of Ronald Wilson Reagan.

Mr. President, I was honored to serve for 8 years with Ronald Reagan. There is no doubt in my mind that had it not been for his inspiring campaign of 1980 this Senator never would have had the opportunity to be of service and in some way make some kind of contribution to that effort, particularly as it related to freeing the dignity and the spirit and the soul of Americans and let them know they are special and, indeed, the entire world looks to the United States.

President Reagan brought back that spirit, and, yes, the opportunity for all of us to achieve what God has given us on the basis of our ability. And, yes, I believe we see Americans doing God's work in confronting evil as we do today. We have armed our soldiers with the best. Yes, he is truly a great patriot and I am pleased to join in wishing him continued success, continued health, and prosperity. And may he have many, many birthdays that he can share with his beloved countrymen.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

The time of the Senator from California has also expired.

EXTENSION OF MORNING BUSINESS

Mr. SEYMOUR. Mr. President, I ask unanimous consent to extend this period of time so other Members may recognize President Reagan on his birthday.

The PRESIDING OFFICER. Does the Senator state a specific period of time?

Mr. SEYMOUR. I believe, Mr. President, that 10 minutes would be adequate.

The PRESIDING OFFICER. Is there objection? Without objection, the time for morning business and the time assigned to the Senator from California under the previous order is extended.

The Senator from California.

Mr. SEYMOUR. I thank the Chair.

I yield 5 minutes of time to the distinguished Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 minutes.

A GREAT MAN, A GREAT FRIEND

Mr. NICKLES. Mr. President, I also wish to join with my colleagues in this tribute to Ronald Reagan, who in my opinion is a great man and great friend, as we celebrate his 80th birthday.

Mr. President, Ronald Reagan was truly a great President of the United States. He changed a lot of things for the better in this country for a lot of people. He certainly changed politics. He was probably more responsible than anyone for changing the political makeup in this body when he helped elect 16 Republican Senators out of 18

new Senators in 1980 and Republicans retook control of the Senate for the first time in 28 years. He really helped develop a two-party system in this country. I think that is healthy for this country. I congratulate him for that.

He changed not only politics but economics. He was probably more responsible than anyone else for the dramatic reduction in the personal income tax rates. When he was elected President of the United States, personal income tax rates ran all the way up to 70 percent. Ronald Reagan stated time and time again he believed individuals should be able to work more for themselves than they did for Government. He was successful in reducing personal income tax rates down to 33 percent, 28 percent, 15 percent, and zero percent for those people on the lower end of the economic scale.

He turned America's economy around. When he was elected, we had inflation rates that were 13 percent. He cut it by a third. We had interest rates that were over 21 percent. He cut them by more than half. We had unemployed at almost all-time highs. He was responsible for the longest economic rebound this country has ever seen.

And we have now employed something like 18 million more people than we did back in 1981 and 1982.

Ronald Reagan changed not only this country and the economics of this country, but he changed the world. He believed in a policy of peace through strength, and we now have seen some of the fruits of that endeavor.

I remember a speech that he made in Berlin when he challenged Mr. Gorbachev to tear that wall down. A lot of people, a lot of the political pundits, scoffed at him. Yet I think he, more than anyone, is responsible for the decline of communism, and really the inspiration of freedom throughout Eastern Europe, throughout Latin America, throughout South America; Ronald Reagan symbolized personal, economic, and religious freedom.

He made those speeches; he convinced people. People would look at the United States and see that we had something they did not have, and that was freedom. Ronald Reagan, more than anyone that I can think of, was responsible for basically the selling of America; that positive attitude. He left us a legacy of which I think we all as Americans certainly can be proud.

He renewed the spirit of America.

Mr. President, when we look at the changes that happened worldwide, when we see the changes that have happened in the U.S. military, when we see the renewed strength of his policy of peace through strength, his policy of standing up to communism, standing up to dictatorships, I think we can all be proud of our affiliation, our relationship, and our friendship with truly a remarkable human being who not only changed the United States, but changed the world for the better.

I am proud to call Ronald Reagan my friend. It was certainly a pleasure to work with him during his 8 years as President of the United States, and it is my opinion he will go down in history as truly one of the great Presidents of this great country.

I yield the floor.

Mr. SEYMOUR. Mr. President, I yield 5 minutes to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized for 5 minutes.

Mr. SIMPSON. Mr. President, I thank the Senator from California, and greet him as again being a fine new Member of the U.S. Senate and a great addition to this body for the marvelous thing he is doing today in arranging for this tribute to Ronald Reagan.

A GREAT AMERICAN

Mr. SIMPSON. Mr. President, I want to pay tribute to a great American on his 80th birthday, former President Ronald Reagan, who is in California today, hopefully kicking up his heels with a little celebration on this day. I am sure he is not in a sedentary activity. He is probably doing a little riding; cutting up a little brush. He and Mac Baldrige used to enjoy their riding out there when Mac was very much a part of our Cabinet, and a very beloved member of that Cabinet.

There is so much I could say to praise the former President. The able Senator from Oklahoma has addressed those economic and domestic issues. One could spend a lot of time going over his remarkable life and all his accomplishments. That would take days.

But I do want to say that of all the gifts we could give Ronald Reagan on his 80th birthday as a nation, none of them could come close to the rare gift he has given each and every citizen of the United States in his years here. A self-worth, a renewed energy, and renewed self-esteem.

Right now, as we pray for the half-million-plus Americans who are fighting the tyranny of Saddam Hussein in the Middle East, I think it is very appropriate for each of us to reflect that one of the reasons we are enjoying the success we are achieving so far is because of the foresight, the leadership, and the preparation by Ronald Reagan during the 8 years of his administration with his companion, Vice President George Bush.

I frankly would shudder to think where we would be right now if President Reagan had not fought for it, and it surely was not an easy fight. I remember how he fought for the military budget, and he fought with great vigor. He was subject to derision and ridicule, and harping from the cliffs. Oh, yes, I remember all of that.

If just one gentleman placed in the toolbox of the Pentagon all of the tools that have enabled us to fight a 3-week war with less than 50 casualties, I would shudder to think where we would be without this preparation. We simply would not be in position to confront the hideous threat of Saddam Hussein and what he stands for.

God willing, when we persevere against Saddam Hussein, and we most certainly will, the credit for our success must certainly be shared by this remarkable American leader who gave us so very, very much.

Happy birthday to Ronald Reagan. You have been in many of our thoughts today and in the last weeks, and we wish you the very best. But of all the gifts and blessings you deserve on your 80th birthday, the most appropriate and humble offering we can bestow is simply our thanks.

So thank you, thank you very much for everything you have done for our Nation. And may you and that dear helpmate at your side, Nancy Reagan, that spirited woman and the light of your life—may she, too, accept the grateful prayers as you go about your personal style of meeting people, enjoying people, loving life, and may you have many more years of life to savor. You are a great friend to a grateful Nation.

God bless you.

The PRESIDING OFFICER. The Senator from California has 58 seconds.

Mr. SEYMOUR. I yield the remaining time, Mr. President.

The PRESIDING OFFICER. All time has expired.

Mr. SEYMOUR. 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. MURKOWSKI. 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 Alaska is recognized.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business for about 4½ minutes.

The PRESIDING OFFICER. Is there objection?

Hearing no objection, it is so ordered.

PRESIDENT REAGAN'S 80TH BIRTHDAY

Mr. MURKOWSKI. Mr. President, today I rise to join a number of my colleagues in celebration of the 80th birthday of Ronald Reagan, our 40th President.

Americans called upon Ronald Reagan to lead our Nation during a deeply troubled time. I remember those times well, as a Member of this body, and I remember well the times that we came in as a team in 1980.

I think we will recall that the relations between the superpowers at that time were at a historic low. Our military capability was much impaired after some years of neglect; unemployment, inflation, and interest rates were approaching record-level highs. Economic growth was stagnated. The cruel hand of recession gripped our Nation. We have heard about the decline of America. At that time, that voice was heard the world over. These were the challenges that faced Ronald Reagan on his inaugural day and, yet, despite the long odds, the 8 years that followed truly became known as the Reagan revolution.

Under his leadership, a new relationship between the superpowers was forged; the cold war was won, and the foundations of a new world order, which President Bush has commented on time and time again, were basically laid.

As a consequence of Ronald Reagan's free market philosophies, the Nation enjoyed the longest sustained period of economic growth in our history.

Under Ronald Reagan's guiding hand, the premature reports of America's decline gave way to pride and conviction for "The Next American Century." Ronald Reagan was certainly the force, the vision behind all of this change.

He was also our friend. I remember one night when President Reagan and Mrs. Reagan visited Fairbanks, Alaska; they were there to join in a historic meeting with His Holiness Pope John Paul II. My wife Nancy and I had the honor of having them stay in a new home we had built, a home that had never been occupied, in Fairbanks. This is kind of an interesting story. Everything was proceeding according to plan. As I have indicated, the home had never been occupied. They came in at about 2 o'clock in the morning and, evidently, there was some temperamental plumbing problem in the home which necessitated some late night phone calls to the plumber, and that perplexed the team of Secret Service men. Throughout the ordeal, the President and Mrs. Reagan exhibited nothing but warmth, good humor, and charm. The next day the President told me that he had little trouble solving it. He said, about 4 o'clock in the morning he was in the closet reading the instructions on the water tank. It took a little while to circulate the hot water in the house. He had been used to a little quicker use in the White House where you just turn the water on and it is hot. In any event, it was a personal, real life story of Ronald Reagan's charm, wit, and his ability to deal with situations at home.

Indeed, Ronald Reagan seems bigger than life, and history will certainly regard him as a giant among American Presidents. He is also a friend, a man of generous nature and warmth, and a man of true humanity.

Our family joins with his family in wishing him the very best on his 80th birthday, and may God bless him and keep him through many happy returns. I think all would agree that our Nation owes a great debt for his commitment and fortitude and perseverance.

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. CHAFEE. 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 Rhode Island is recognized.

Mr. CHAFEE. I thank the Chair.

(The remarks of Mr. CHAFEE pertaining to the introduction of S. 371, S. 372, and S. 373 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE 80TH BIRTHDAY OF PRESIDENT REAGAN

Mr. CHAFEE. Mr. President, I know that others have spoken about the 80th birthday of President Reagan. I would just like to add my congratulations to President Reagan on this, the occasion of his 80th birthday.

When we think of President Reagan, we think of the charm and good will and good humor that he constantly expressed. We think of the leadership that he gave to this country for 8 years. We think of his ability to respond swiftly in case of emergencies. We think of a man of great wisdom.

I had the privilege of being part of the leadership for 4 of those years and attended the meetings at the White House rather regularly. The President was not a man who wanted to micromanage everything. He took the broad issues and concentrated on them. I think he will go down as one of the finest Presidents we have ever had.

So on this, the occasion of his 80th birthday, 8 decades, 4 score years, we wish to him all kinds of happiness and good health. I know as far as health goes he takes good care of himself, he has always paced himself.

I must say, Mr. President, little incidents stand out in our memories. I can remember the first time I ever met President Reagan. At that time, he was a candidate for Governor of California, it was probably in 1966, maybe it was 1964. We were in California for the National Governors Association Convention. The State Republican chairman invited the Republican Governors to meet this candidate for Governor of California at a local country club one Sunday.

So we went out there. There were about 25 or 30 of us, I guess. We went out there to meet with President Reagan. Subsequently, of course, he was elected Governor of California. I, at the time, was serving as the Governor of our State. He from the most populous State, me from one of the least populous States and certainly in size the smallest State.

But I had great pleasure working with him on different issues, whether we were meeting in Colorado Springs or we were meeting in California. One year, the Republican Governors met in Palm Springs, CA, where he was host. Subsequently, he came to our State for a fundraiser. Always showing great, good humor. The patience of the man was astonishing, as he would go through the rituals that politicians were required to go through. Then, as I mentioned previously, I had the pleasure of working with him when I was part of the leadership and we would go to the White House for the meetings.

So he is a grand person, one we look back on with great affection and respect and wish him all the very, very best in the years ahead.

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

A TRIBUTE TO PRESIDENT REAGAN

Mr. STEVENS. Mr. President, first I want to join in the tribute to President Reagan and to wish him a very happy 80th birthday. I have great many memories of the times that we all spent with him during his administration. It was my privilege at that time, during the first 6 years of his administration, to be serving in the leadership, and we had many occasions to meet with him.

I savor the memories of those times and the times that my wife Catherine and I were able to spend with the President and Nancy, even including right up to the last minute when they left after the inauguration of President Bush. It is hard to realize that time has gone by so fast since President Reagan was inaugurated, but I am sure all of us send him our best regards.

TRIBUTE TO PRESIDENT RONALD REAGAN

Mr. COATS. Mr. President, I rise to join my colleagues today to pay tribute to our 40th President, Ronald Wilson Reagan, on the occasion of his 80th birthday.

"Win one for the Gipper." Those words spoken by Ronald Reagan playing George Gipp in the celebrated film, "Knute Rockne: All American" echo through American culture, especially Hoosier culture, as a simply expression of American courage, grit, and pride. It is sort of a happy coincidence that our 40th President has become so closely identified with such a cherished bit of Americana, but, in my mind, it is no accident.

The story of George Gipp is not unlike that of the story of Ronald Reagan. A midwestern boy makes good, and leads his team to victory against all the odds. If you've ever been to Notre Dame's lovely campus in South Bend, IN, it is easy to understand why George Gipp and the story of Notre

Dame's football team captured the imagination of moviegoers as well as Americans from all walks of life. The story of Ronald Reagan's life is similarly inspiring. He came from a family of modest means, but worked his way through school and found his fortune—first in movies and then in government.

One of the things that impressed me most about President Reagan during my tenure in the House of Representatives was his unceasing concern for and work on behalf of American families, and traditional values. His efforts on behalf of the unborn, rebuilding the nuclear family, encouraging families to look inward to each other for solutions to their most basic problems, and not always toward the Government—all these things bespoke a very real interest in and appreciation for the importance of the American family as the most basic building block of our society. President Reagan and I worked together to double the personal exemption, to help give families more of their own hard earned dollars back. We worked together to help give parents more say in their children's education, to encourage the bolstering of character, and to reemphasize basic skills. We worked together to let the family heal itself. I am proud of our many social policy gains made during the Reagan revolution.

Under President Reagan's stewardship, we turned a tide of pessimism in this country which ran rampant through the words and deeds of our national leadership. We became a strong Nation once again with a revived commitment to maintaining peace through strength and a renewed recognition of our greatest resource—the American people.

Ronald Reagan's call for a defense against ballistic missile attack, or the strategic defense initiative, was prescient indeed. In the past few weeks, the world has witnessed the successful use of a missile defense system and the vulnerability of nations lacking such a defense. Clearly, countries like Iraq cannot be expected to follow the arcane logic of the doctrine of mutual assured destruction nor to be bound by a treaty created to govern United States-Soviet relations. The naysayers who vehemently opposed President Reagan's initiatives, claiming such a defense system would not work and should not be deployed, should reevaluate their positions today.

Ronald Reagan showed us, however, that our true secret weapon was our people. In presiding over the greatest peacetime expansion of our economy that this Nation has ever seen, President Reagan implemented progrowth policies to unleash the resourcefulness, ingenuity, and potential possessed by each and every American. He restored opportunity to those previously hindered by the economic policies of leaders who lacked the unending vision that true liberty provides. Ronald Reagan renewed our faith in ourselves and our ability to achieve the American dream. President Reagan initiated this revitalization and we must continue the course of growth so that all Americans may share in the American dream.

Thus, on his 80th birthday, let us recommit ourselves to the powerful ideas of a great leader—a peace premised on strength, growth fueled by the potential of the American people, and a society based on the bedrock of the family.

Mr. STEVENS. May I inquire, is it proper at this time to have regular morning business?

The PRESIDING OFFICER. There is no pending business. A motion to proceed as in morning business is in order.

Mr. STEVENS. Mr. President, I ask unanimous consent that I be able to proceed for a few minutes as in morning business.

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

ARCTIC NATIONAL WILDLIFE REFUGE

Mr. STEVENS. Mr. President, I want to share with the Senate an important new development on the issue of exploration and development of the coastal plain of the Arctic National Wildlife Refuge in Alaska. It is a subject we are going to be discussing at length, I am sure, on the floor of the Senate in this coming year.

On Monday, Secretary of Interior Manuel Lujan announced the findings of a new Bureau of Land Management analysis of ANWR—that is what we call the Arctic National Wildlife Refuge—oil resource potential. That assessment concluded that the potential for the discovery of economically recoverable oil on the coastal plain of ANWR is extremely high. In fact, it is much higher than we previously thought.

In 1987, the Department of the Interior completed its first study of the oil resources beneath the coastal plain of ANWR. That is known as the 1002 report. That report estimated that the volume of recoverable oil on the plain of the Arctic from a low of 600 million barrels—that is still a pretty large field in the south 48—to a whopping 9.2 billion barrels of oil. That would be a world class discovery.

I remember at the time when we first were looking at Prudhoe Bay, the estimate was that there was a 1-percent chance that there would be a billion barrels. We have already produced 9 billion barrels from Prudhoe Bay, Mr. President.

The likely probability of discovering commercial quantities of oil at ANWR has been set at 29 percent, not the 1 percent that I mentioned for Prudhoe Bay. And if we look at this report, they are really incredible figures; they are figures of optimism.

The Secretary revised those figures of that 1987 report yesterday. Based upon a review of four additional test wells—this is not just guesstimates based upon the structures—but test wells drilled north of the coastal plain, an analysis of the 800 line miles of reprocessed geophysical data based on those test wells and a study of seismic data collected from offshore of ANWR, the chances of finding oil in ANWR are now doubled as compared to the 1987 report which, as I said, were very optimistic and were quite large compared to that of the Prudhoe Bay. The marginal probability of finding oil in this part of the Arctic increased from 19 percent from the 1987 1002 report to an overwhelming 46 percent.

To put those figures in perspective, there is a 1-in-100 chance of locating oil in any average field in the United States. A 1-in-3 chance of hitting an oil well is considered to be an excellent prospect anywhere in the world. Having a 19 percent chance of finding oil was a world-class prospect based on the 1987 report, but to have an almost 50-50 chance, a 46 percent chance of discovering oil is a once-in-a-lifetime occurrence for anyone in the oil business.

This new report also upgraded the estimated size of the field. In 1987, ANWR was estimated to have 3.23 billion barrels of oil. That figure has been increased to 3.57 billion barrels. That is an increase of 340 million barrels. That is the size of any of the gigantic fields of the south 48.

Yesterday, Chairman JOHNSTON and Senator WALLOP introduced legislation which would open ANWR to environmentally sensitive development. Their bill contains what we call a blackmail clause, a provision I cannot support, and I will be discussing it more on the floor later. Senator MURKOWSKI and I also have an ANWR bill pending.

As the Senate begins deliberations on these measures, I urge the Senate to contemplate the great energy storehouse that Alaska has to offer the Nation in this time of need.

Mr. President, I ask unanimous consent that a statement issued by the Department of the Interior and the report of that statement printed in the Anchorage Times be printed in the RECORD.

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

[Factsheet, Arctic National Wildlife Refuge]

RECOVERABLE OIL RESOURCE UPDATE

In 1987, the Secretary of the Interior provided Congress with an analysis of the oil resources beneath the 1.5 million acre coastal plain of the 19 million acre Arctic National Wildlife Refuge (ANWR). Congress requested the assessment of the coastal plain's oil resource potential in section 1002 of the Alaska National Interest Lands Conservation Act of 1980.

The Secretary reported that the coastal plain is the most outstanding petroleum exploration target remaining in the onshore United States. The estimated volume of recoverable oil in the coastal plain ranged from 600 million to 9.2 billion barrels, with a mean of 3.2 billion barrels. The marginal probability of discovering economically recoverable oil was estimated to be 19 percent, and the minimum size of economic oil fields was estimated to be 440 million barrels.

Based on available projections of U.S. oil demand, domestic production, and imports, the Secretary estimated that at its peak, the production of 3.2 billion barrels of oil from the coastal plain would provide 8 percent of U.S. domestic oil production, 4 percent of total U.S. demand, and reduce imports by nearly 9 percent. In addition, this production would provide net national economic benefits of $79.4 billion, including Federal revenues of $38 billion.

The Secretary estimated that exploration and development of 3.2 billion barrels of oil would directly affect only 12,650 acres or 0.8 percent of the coastal plain. This is equivalent to affecting an area the size of Washington D.C.'s Dulles Airport in an area the size of the State of Delaware.

In May, 1990, the Department of the Interior's Assistant Secretary-Land and Minerals Management asked the Bureau of Land Management (BLM) to review geological and geophysical data developed after the 1987 assessment and to determine if that new information changed the Bureau's estimate of recoverable oil resources in the coastal plain. If its estimate changed as a result of new information, it was asked to determine the economic consequences of leasing the oil resources for exploration and development.

The BLM initiated its reassessment in June 1990. New information used in the reassessment included geological data from four wells drilled near the coastal plain, 800 line miles of reprocessed geophysical data collected from the coastal plain, and some additional seismic data from offshore areas near the coastal plain.

In February, 1991 BLM notified the Assistant Secretary that it had completed its reassessment of the new information and had drawn the following conclusions on economically recoverable oil beneath the coastal plain.

(1) The marginal probability of economic success (i.e. the potential for oil recovery) increased from 19 percent in the 1987 assessment to 46 percent.

(2) The mean resource estimate of economically recoverable oil in the coastal plain increased from 3.23 to 3.57 billion barrels.

(3) The minimum economic field size (MES) decreased from 440 to 400 million barrels of oil.

These conclusions are currently being reviewed within the Department of the Interior.

The BLM is continuing its reassessment of economics of developing the oil resources of the coastal plain. That reassessment is based in part on information recently published by the Department of Energy. The BLM has not completed this portion of the reassessment. This portion of the reassessment is scheduled to be completed by April 1, 1991.

Based upon BLM's reassessment, the Department believes that the resource estimates contained in the 1987 report to Congress are accurate. The coastal plain of ANWR is viewed to be an integral part of the North Slope oil province which includes Prudhoe Bay and Canadian discoveries in the MacKenzie River Delta. The potential for the discovery of commercially producible oil in the coastal plain is extremely high.

[From the Anchorage (AK) Times, Feb. 5, 1991]

STUDY IMPROVES ODDS OF ANWR DEVELOPMENT

(By E. Michael Myers)

WASHINGTON.—The Interior Department on Monday predicted oil companies would have about a 99 percent chance of finding a commercially productive oil field beneath the Arctic National Wildlife Refuge's coastal plain, despite earlier studies showing much lower odds.

The agency earlier said there was only a 19 percent probability of finding an economically viable oil field beneath the 1.5 million-acre plain on Alaska's North Slope.

"This has risen to 46 percent," said Steve Goldstein, a spokesman for Interior Secretary Manuel Lujan.

The prediction was released by the agency at the close of a briefing on its new budget. It likely will trigger a heated battle between environmentalists, who have made preservation of the refuge a legislative priority, and those seeking to open the refuge to exploration and development.

The department projected congressional approval of ANWR exploration this year, with the part lease sale in late 1993 generating $1.9 billion.

"For purposes of engaging the public debate on ANWR, we are obliged to release these preliminary figures which, if they hold up, put a new perspective on the ANWR debate." Goldstein said.

The department's estimate of recoverable oil in the refuge did not increase, but it said 10 new prospects or "traps" were identified in a survey last year.

The department previously estimated the refuge's coastal plain could yield between 600 million and 9.4 billion recoverable barrels of oil. The agency said its estimate of economically recoverable oil has increased to 3.57 billion barrels, from earlier estimates of 3.23 billion.

Lujan said the federal government assumes, for budget purposes, it will collect the entire $1.9 billion.

The oil industry has considered a 20 percent chance of finding oil as exceptionally good.

Sen. Bennett Johnston, D-La., chairman of the Energy and Natural Resources Committee, said he would introduce a bill today calling for oil drilling on the coastal plain, but giving the state no more than 50 percent of the royalties.

Sen. Ted Stevens said the bill includes a "blackmail clause" that would force Alaska to accept a 50 percent split instead of the 90 percent the state usually receives. If Alaska sued to get 90 percent of the royalties, there could be no development of ANWR, Stevens said.

"I do not see any reason to rush to pass this at any price," he said. "I think we are in for a nice, long battle."

Rep. Don Young, R-Alaska, has introduced a House bill to develop ANWR. Sens. Stevens and Frank Murkowski are trying to push a similar measure through the Senate.

But Gov. Walter J. Hickel said there is room for discussion.

"We want ANWR open, we said we would negotiate," Hickel said.

Hickel was in Washington for the National Governors Association conference and is scheduled to address the National Press Club in Washington today (9 a.m. broadcast KSKA, FM 91).

The agency's announcement came hours after Hickel and Lujan discussed issues facing Alaska.

Mr. STEVENS. Mr. President, may I inquire of the leader if it is proper at this time to call up a special Senate resolution and have it acted upon by the Senate?

Mr. MITCHELL. Mr. President, the answer is in the affirmative, assuming we do it prior to 3:30.

COMMENDING DAVID BAUMEISTER

Mr. STEVENS. Mr. President, I send to the desk a resolution and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 50) to commend David Baumeister for a lifetime of service to his community.

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

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

Mr. STEVENS. Mr. President, I am grateful to the leadership for its prompt action in clearing this resolution. It is very important and timely as a gesture of good will and faith in a very dear friend of mine who is at this time sort of under the weather at home. It is a chance to offer our congratulations to him for a lifetime of service to our country and to our State.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 50) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 50

Whereas the programs which do the most to define the character of any community are made possible through the commitment and resourcefulness of volunteers;

Whereas volunteerism is particularly important to the success of organized athletics for young people as well as to amateur athletics;

Whereas David Baumeister born February 19, 1944, served his country as an Army helicopter pilot, including service in Vietnam, before becoming a commercial helicopter pilot;

Whereas he has resided in Anchorage, Alaska, since 1969;

Whereas Mr. Baumeister has established himself as a leader in Alaska's business community during a successful career in aviation, first as a helicopter pilot, then working his way up and ultimately becoming president of his firm in 1984;

Whereas, while achieving success in business, he has also been selfless in committing himself to community service in many forms, including several programs for the benefit of Anchorage's youths;

Whereas Mr. Baumeister has served on the Board of Directors of the Anchorage Boys

Club, the Board of Junior Achievement of Alaska and is the current president of the Anchorage Hockey Referee Association;

Whereas he has served as President of the Anchorage Olympic Organizing Committee, which led successful efforts to name Anchorage as the United States' candidate for the site of the 1992 and 1994 winter olympic games; and

Whereas Mr. Baumeister's contributions have improved the lives of the residents of Anchorage and helped to establish the international caliber of winter sports in Alaska: Now, therefore, be it

Resolved, That the Senate of the United States commends David Baumeister for a lifetime of contributions in business and community service which have set an example for the people of Alaska and of the Nation.

Mr. STEVENS. Mr. President, I move to reconsider the vote by which the resolution was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROVIDING FOR A CONDITIONAL RECESS OR ADJOURNMENT OF THE HOUSE AND SENATE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Concurrent Resolution 59 now at the desk, a resolution providing for a conditional recess or adjournment of the House and Senate.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 59) providing for the adjournment of the two Houses.

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Wednesday, February 6, 1991, it stands adjourned until 12 o'clock meridian on Tuesday, February 19, 1991, or until 12 o'clock meridian on the second day after Members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns on Thursday, February 7, 1991, or Friday, February 8, 1991, pursuant to a motion made by the majority leader, or his designee, in accordance with this resolution, it stands in recess or adjournment until 2:30 post meridiem on Tuesday, February 19, 1991, or until 12 o'clock meridian on the second day after members are notified to reassemble pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble whenever, in their opinion, the public interest shall warrant it.

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

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

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 59) was agreed to.

Mr. MITCHELL. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

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

The motion to lay on the table was agreed to.

THE CALENDAR

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed, en bloc, to the immediate consideration of Calendar Nos. 18 and 19; that the resolutions be agreed to; and that the motion to reconsider the adoption of the resolutions be laid upon the table.

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

SERVICE ON THE JOINT COMMITTEE OF CONGRESS ON THE LIBRARY

The concurrent resolution (S. Con. Res. 10) to allow another member of the Committee on Rules and Administration of the Senate to serve on the Joint Committee of Congress on the Library in place of the chairman of the committee, was considered, and agreed to; as follows:

S. CON. RES. 10

Resolved by the Senate (the House of Representatives concurring), That effective for the One Hundred Second Congress, the Chairman of the Committee on Rules and Administration of the Senate may designate another member of the Committee to serve on the Joint Committee of the Congress on the Library in place of the Chairman.

APPOINTMENT OF SENATE MEMBERS OF THE JOINT COMMITTEE ON PRINTING AND THE JOINT COMMITTEE OF THE CONGRESS ON THE LIBRARY

The resolution (S. Res. 35) providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee of Congress on the Library, was considered, and agreed to; as follows:

S. RES. 35

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress:

JOINT COMMITTEE ON PRINTING: Mr. Ford of Kentucky, Mr. DeConcini of Arizona, Mr. Gore of Tennessee, Mr. Stevens of Alaska, and Mr. Hatfield of Oregon.

JOINT COMMITTEE OF CONGRESS ON THE LIBRARY: Mr. Pell of Rhode Island, Mr. DeConcini of Arizona, Mr. Moynihan of New York, Mr. Hatfield of Oregon, and Mr. Stevens of Alaska.

VERMONT BICENTENNIAL DAY

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 58, designating Vermont Bicentennial Day and that the Senate then proceed to its immediate consideration; that the joint resolution be deemed read a third time and passed; that the motion to reconsider be laid upon the table; and that the preamble be agreed to.

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

The joint resolution, with its preamble, is as follows:

S.J. RES. 58

Whereas 1991 marks the bicentennial of the end of the proud fourteen-year history of the Republic of Vermont;

Whereas the Republic of Vermont gave unstintingly to the cause of independence of the original thirteen colonies;

Whereas the Republic of Vermont became the State of Vermont on March 4, 1791, the first Republic to become a State and the fourteenth State to join the Union;

Whereas the State of Vermont has continued to contribute to the Union over the past two hundred years, first in agriculture, then in manufacturing, and always in education and political thought;

Whereas Vermont has been a leader in the preservation and use of its natural resources for the benefit of its own citizens, citizens of other States, and for generations of all citizens to come; and

Whereas on March 4, 1991, Vermont will begin its third century of statehood: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That March 4, 1991 is designated as "Vermont Bicentennial Day", and the President is authorized and requested to issue a proclamation acknowledging the contributions of the people of the State of Vermont during the past two hundred years.

ORDER FOR STAR PRINT—S. 134

Mr. MITCHELL. Mr. President, on behalf of Senator THURMOND, I ask unanimous consent that a star print be made of S. 134, to establish the U.S. Marshals Association, to reflect corrections I now send to the desk.

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

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

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

ORDER FOR ADJOURNMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senator SMITH be recognized to address the Senate for

not to exceed 5 minutes, and that upon the conclusion of his remarks, the Senate adjourn until 5 p.m. today; that when the Senate reconvenes at 5 p.m. today, the Journal of the proceedings be deemed to have been approved to date, the call of the calendar be waived, and no motions or resolutions come over under the rule, and the morning hour be deemed to have expired.

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

The Senator from New Hampshire is recognized for not to exceed 5 minutes.

Mr. SMITH. I thank the majority leader, and I thank the Chair.

HAPPY BIRTHDAY TO PRESIDENT REAGAN

Mr. SMITH. I would like to add my comments to those of the many of my colleagues who have gone before me to congratulate Ronald Reagan on the occasion of his 80th birthday.

President Reagan's birthday had a special meaning in my family because that was my grandmother's birthday, February 6. She was in good company. She also decided to marry my grandfather on the same day, on her birthday. And so when Ronald Reagan's birthday came around, that was always a very special day for two reasons—three, actually—in my family.

So I want to say happy birthday, Mr. President, and just to add a couple of comments in reminiscing about Ronald Reagan.

Of course, in the New Hampshire primary, Mr. President, it was, it seemed to me, a time when Mr. Reagan, in 1976 through 1980, decided to come to New Hampshire many times. I recall in the 1980 primary, when Ronald Reagan and George Bush were going at it pretty well in that primary, a few of us living in some of the small towns in New Hampshire, suggested that then Governor Reagan come to our small towns and see the people around the countryside, which he did.

I will never forget him visiting Wolfeboro, NH, a town where I lived at the time and then going on a tour around the lake in the central part of the State to towns populated by no more than 2,000 or 3,000 people, sometimes much less.

On this particular day, he came with Nancy by bus in a snowstorm. He came into the high school where I taught, and spoke to a large crowd which had assembled there, probably 400 or 500 people. I did not know him personally at the time. I walked up to him and introduced myself and asked him if he would sign a little token that a friend of mine had stuck in front of him. Ironically, it was a picture of Ronald Reagan with the White House in the background. My friend asked him to sign on his new home, which he took the time to do.

Another memory I have is that during my first campaign for Congress, when there was a mistake that was made by some of the staff people, who gave then President Reagan some false information which turned out to be a slight embarrassment to me, the President took the time to personally call me, seek me out on the campaign trail, and to apologize personally, which is something I never forgot. I think that tells you a lot about the kind of man President Ronald Reagan was.

Another special meaning for me was the fact that on March 31, 1981, Ronald Reagan was shot in an attempted assassination. That was also my birthday, and I remember having mixed feelings at that time in hearing that horrible news.

All I can say is, Mr. President, the 4 years that I had the privilege to serve while you were President in your second term, are years I will never forget. And it certainly was a privilege to work with you on your agenda.

There are a lot of things that we can talk about and think about in terms of President Reagan, but as we look at our troops now in the Persian Gulf, and we think about the Patriot missile, and we think about the weapons that our men and women have at their disposal, although he exclusively does not deserve all the credit, he certainly deserve much of the credit for what they have to use.

I remember, in the early 1980's the morale of the men and women in the services was low. That has escalated now to great pride to wear the uniform, with the appropriate support of the men and women who serve, which is so much deserved. Ronald Reagan deserves much of that credit.

Finally Mr. President—I think it is certainly a tribute to the man—you can compare him somewhat with many historical figures who were criticized frequently, but even his enemies, political enemies who sometimes were so brutal upon him publicly, I think privately respected him and loved him for the type of man he was.

To the best of my knowledge, in the years that I have known him, he did not hold a grudge. If he did, he kept it to himself. That certainly says a lot. If he did not love his enemies, he certainly charmed them. I think that also is a tribute.

He was kind of like somebody who lived next door. He loved sports. He played sports. He had a unique ability to bring out the best in America, to make us feel good about ourselves, to dwell on the positive, not the negative. That is how I will remember him.

I think he will go down in history as one of our best Presidents. I am pleased and privileged to have served in this Congress with him, and I want at this time to say happy birthday, Mr. President, and many more.

I thank the Chair.

ADJOURNMENT

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 5 p.m.

Thereupon, at 3:38 p.m., the Senate adjourned until 5 p.m. the same day.

AFTER ADJOURNMENT

WEDNESDAY, FEBRUARY 6, 1991

The Senate met at 5:01 p.m., pursuant to adjournment, and was called to order by Hon. FRANK R. LAUTENBERG, a Senator from the State of New Jersey.

The PRESIDING OFFICER. If there is no objection, the Senator from New Jersey will exercise his prerogative, note the absence of a quorum, and ask the clerk to call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. WALLOP. Mr. President, are we in morning business?

The PRESIDING OFFICER. We are not in morning business.

Mr. WALLOP. I ask unanimous consent that I may proceed as in morning business.

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

The Senator from Wyoming is recognized.

Mr. WALLOP. I thank the Chair.

(The remarks of Mr. WALLOP pertaining to the introduction of S. 381 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

THE BIG GREEN TEST

Mr. WALLOP. Mr. President, yesterday several of my colleagues launched a big green attack against President Bush. As usual, their obsolete missiles were off target. The only damage was to the credibility of extremists in the environmental movement. Their barrage was precipitated by the White House proposals on global warming to the U.N. Intergovernmental Negotiating Committee on a framework convention on climate change.

This rather formidable sounding committee is negotiating a treaty to limit emissions of the so-called greenhouse gases. As my colleagues will recall, back in the late 1970's, the climate issue was whether the Earth was entering a new ice age. We were experiencing cold winter temperatures.

One thing Members of Congress have simply not been able to come to grips with is that God has something to do with life and that changes in climate are not necessarily somebody's fault. The image at that time was one of glaciers rolling down from the Appalachian Mountains, engulfing Washington

in ice. The closest we came to an ice age was when the Potomac River froze, allowing us to walk over to Virginia.

Having been discredited about the ice age, the enviro-scientists decided we were really experiencing global warming. Several years ago, the Senate Energy Committee held hearings with NASA, NOAA, and university scholars describing their elaborate computer models which demonstrated that the Earth was turning into a greenhouse because of carbon dioxide and CFC emissions. As work progressed, questions arose about flaws in the models and in measuring techniques. For instance, we rely on temperature data over a 100-year period taken in such locations as Rosslyn, VA, which was transformed from pastures to concrete canyons. A more appropriate measure is average ocean temperatures which have not been affected by the pouring of concrete. Analysis of such records has called into question the argument about global warming.

The advocates of global warming have ignored these recent twists in the science, and pretend that their original arguments are valid. President Bush, on the other hand, has acknowledged the scientific uncertainty. He has taken a reasoned approach which seeks to limit greenhouse gases without destroying our economy. At the U.N. conference, he has proposed an action plan to reduce emissions of gases affecting the climate. We are exercising prudence, but not becoming hysterical about this problem. I ask unanimous consent that two recent articles by Warren Brookes on the lack of warming data be printed in the RECORD.

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

[From the Washington Times, Feb. 5, 1991]

DEBATE HOTTER THAN THE EARTH?

(By Warren Brookes)

Even as environmentalists ponder the devastation in the Persian Gulf, another of their major policy issues is under heated attack in the United States.

NASA's Marshall Space Flight Institute and the University of Alabama in Huntsville just released updated findings of the trend in global temperatures as measured by satellites since 1979 through 1990 and found—no trend. What's more the findings show that 1990 was only the fourth warmest year in the 12-year record, and only 0.13 degree higher than the 1979-1990 mean. (See Chart and Table.)

This totally contradicts the release earlier this month from James Hansen of NASA's Goddard Space Institute, that said 1990 was the warmest year in the global (land) record, and that the decade of the 1980s included the seven warmest years in that record going back more than 100 years.

Not so, say Marshall/Alabama scientists Roy Spencer and John Christy. Not only was 1990 below 1980, 1987 and 1988, but the entire 12-year period shows a decadal trend of 0.048 degrees that, according to atmospheric scientist Christy, "is not significantly different from zero." Yet that is the decade in which global warming was first identified as a problem.

What accounts for this shocking reversal of Mr. Hansen's temperature record? One reason is that both the Hansen record and the one maintained by British scientists are confined to land, leaving out the 70 percent of the Earth's surface covered by water.

As Mr. Christy told us, "Our satellite data did confirm that over the Northern land masses March 1990 was the warmest anomaly on the record, but it was completely offset by the data from the Southern Hemisphere, where the surface is mostly ocean."

Another reason is that those land records are "polluted" by the urban heat inland effect. City temperatures are automatically inflated by the presence of concrete and asphalt. While some adjustment is made to account for this, many meteorologists think that adjustment is insufficient.

As Mr. Christy said, "The sampling in the land temperature record is very suspect. Not only is it limited to point sources, but there is evidence that more and more of those sources are urban, especially airports."

In response, Mr. Hansen of NASA has been arguing that the satellite data are not reliable because they are too influenced by cooler stratospheric temperatures.

But Mr. Christy says, "We have taken all of the stratospheric readings out of our record, and it still shows no trend. I would argue that our data are more reliable because at each of our readings we are measuring 50,000 cubic kilometers of atmosphere 15,000 times a day, compared with random-point readings on land."

Mr. Christy cites the fact that the satellite data for the United States correlate with the U.S. urban adjusted land record at .93, that "for climate is about as close as you could possibly get."

Mr. Christy argues that "the best place to measure climate is in the deep layers of the troposphere, where the reading data can be robustly correlated and avoid all the land record biases."

We asked him how he felt about Mr. Hansen's argument that the decade of the 1980s proves that the greenhouse effect has arrived and that we should take policy actions now.

"If it is here and happening, it is very small, indeed. I think there is a very good parallel between this issue and acid rain and the NAPAP study. A decade ago we thought acid rain was a major catastrophe, but 10 years of science showed it was not as serious as we thought. Unfortunately, the politicians went ahead and ignored the science. I worry that the same thing could be happening on global warming."

Indeed, this week the Intergovernmental Panel on Climate Change (IPCC) is urging President Bush to join the European nations in calling for major policy agreements to reduce carbon dioxide emissions, the principal greenhouse gas.

Last Friday, two groups of scientists lashed out against this IPCC pressure for action, urging Mr. Bush to stand firm on his position against signing any such policy accords.

Twenty-one environmental scientists led by Robert Balling, director of the Laboratory of Climatology of Arizona State University, and Patrick Michaels of the University of Virginia sent a letter to Mr. Bush telling him that "[t]he working hypothesis of this group of scientists is that the impact of future climatic change is likely to be much less severe than generally expected, perhaps even neutral or even beneficial."

At the same time, the prestigious George C. Marshall Institute released an update of its 1989 study by Robert C. Jastrow, founder and past director of NASA's Goddard Space Institute, William Nierenberg, former director of the Scripps Institution and a member of the National Academy of Science (NAS) Climate Research Board and Frederick Seitz, past president of the NAS and of the American Physical Society.

The new Jastrow/Nierenberg/Seitz study concludes that, even if you assume most of the 0.5 degree warming that has taken place in the last 100 years is due to greenhouse gases, the most likely scenario for a doubling of CO_2 is an additional warming of from 0.4 degrees to 1.8 degrees and a likely figure of 1.1 degrees.

That is consistent with estimates by other prominent climate modelers, including the Max Planck Institute (0.7 degrees) and Michael Schlesinger at the University of Illinois (1.3 degrees).

It is, however, far below the 2.5 degrees now endorsed by the IPCC, and the 4.5 degrees promoted by Mr. Hansen, both based on models—not actual observations.

Says the new Marshall Institute report: "It is difficult to place any degree of confidence in current attempts to simulate the Earth's climate and in their forecasts for the greenhouse effect in the coming century, considering how poorly they have fared in accounting for changes observed in the past century."

Most of all, the report demonstrates how shocking is the variation in the climate records between the promoters of global warming and the satellite data: "The satellite results show no unusual temperature increase in 1990."

The IPCC had better deal with this problem before it tries to rearrange the economic systems of the world.

Satellite temperature measurements—Departures from the 1979-90 mean

1979	+0.01 C.
1980	+0.15 C.
1981	+0.08 C.
1982	−0.14 C.
1983	+0.08 C.
1984	−0.19 C.
1985	−0.28 C.
1986	−0.14 C.
1987	+0.21 C.
1988	+0.19 C.
1989	0.00 C.
1990	+0.13 C.

Source: Marshall Space Flight Institute (NASA) University of Alabama in Huntsville.

[From the Washington Times, Jan. 11, 1991]

WARMER, GREENER, BETTER?

(By Warren Brookes)

Tennessee Democratic Sen. Albert Gore's hopes for his presidential bid got a boost from last week's announcement that 1990 was the warmest year in the global temperature record. As the "global warming" candidate, Mr. Gore is looking forward to a "green" 1992.

Another big beneficiary is global climate change guru (and Mr. Gore's likely presidential science adviser) James Hansen of NASA. Although 1990 was, by most measurements, less than four one-hundredths of a degree warmer than the previous global high (1987), Mr. Hansen told USA Today, "Evidence is stronger year after year. Global warming is more or less on the track our computer models projected."

Even one of the skeptics, National Oceanographic and Aeronautical Administration climatologist James K. Angell, who tracks the 63 worldwide radiosonde sites (measuring temperature through the variations in the

thickness of barometric pressure bands), concludes in a new paper:

"There is very good evidence that the global troposphere has warmed during the last three decades, but whether or not this reflects a greenhouse effect is still debatable.

"As somewhat of a skeptic on this matter in the past, I would agree that with each passing year the evidence for greenhouse warming seems to become stronger. If the decade of the 1990s has an appreciably warmer troposphere and a cooler stratosphere [as the model predicts] than the 1980s, it will probably be time to admit that greenhouse warming is here."

But this "good news" for the greenhouse advocates could turn out to be "bad news" because almost none of the 1990 warming anomaly was in the summer. Most was in the winter and spring, and much of it during the polar "nights" at high latitudes. Indeed, that has been the pattern in most of the 1980s heat spikes.

Without summertime temperature zone warming, the greenhouse warming, if it comes, cannot be catastrophic. It can only be beneficial. High latitude warming at night lengthens the growing season but generates no droughts, polar ice melting, and rising sea levels. You can't melt ice caps by raising winter polar temperature from −35 below to −30 below.

In fact, by all accounts 1990 was a worldwide record year for agricultural production and yields from one of the longest and wettest worldwide growing seasons on record.

This anomaly shows up in Mr. Angell's surface temperature record for 1990, which shows that while 1990 deviated by .44 degrees Celsius from the 1958–1988 median, the deviations were greatest in the polar winters and springs and least in the polar summers and falls (when ice cap melting might occur).

For example, the north polar deviation was 0.84 degrees Celsius from December through February, and a whopping 3.9 degrees in March, April and May. By contrast, in the period most vulnerable to melting, September, October and November, the North Polar region was 1.12 degrees below to 1958–88 median.

Somewhat the same phenomenon occurred in the South Polar region. In the Antarctic "summer" and "fall," the average anomaly was .31, while in the cold Antarctic "spring" (September, October and November), it was 1.33 degrees above the 1958–88 mean.

Thus, so far at least, if there has been any effect from the 40 percent to 50 percent increase in greenhouse gases, it is almost entirely consistent with the theories of two men, Soviet climatologist Mikhail Budyko and Arizona State physicist Sherwood Idso, and the analyses of University of Virginia environmental scientist Patrick Michaels, all of whom, while predicting a CO_2 warming trend, say that it will be no catastrophe.

Mr. Budyko and Mr. Idso have both predicted that a CO_2 doubling will produce a kind of agricultural Eden. CO_2 is one of the strongest fertilizing agents known. Mr. Idso believes that at least some of the amazing worldwide "green revolution" that has more than tripled crop yields since the early 1950s is due to the roughly .4 degree warming since the extreme cold dip of the late 1950s and early 1960s.

Mr. Budyko has argued openly at conferences and in scholarly papers the benefits of the greenhouse effect are so great nothing should be done to arrest the trend.

Be that as it may, one thing is clear even from the 1990 record: That trend will not be as large as has been predicted. Forecasts range from 0.7 degrees for a doubling of CO_2 (and other greenhouse gases) by the Max Planck Institute to 4.5 degrees by Mr. Hansen, with a consensus on a range of 1.3 to 2.0 degrees.

The 1990 global anomaly, if attributable to greenhouse warming as Mr. Hansen argues, still indicates a long-term trend of about .12 degrees per decade at current greenhouse gas growth rates, or about 1.5 degrees for a doubling of CO_2. While that is not insignificant, it is hardly a premise for overturning the entire world economic systems with command and control statism.

Americans also will want to keep their "cool" since 1990 was only the seventh warmest year in our record since 1985 (the best land record in the world). Many of the warmer years took place in the 1920s and 1930s, long before the CO_2 buildup.

For example, while the 1990 U.S. average temperature of 53.94 F was well above the 96-year record of 52.50 F, it was still well below the 1934 dust bowl record of 54.67, when CO_2 concentration was 25 percent lower. Other anomalous records were 1921 (54.47), 1931 (54.07), 1953 and 1954 (around 54.0) and 1986 (53.95). In other words, the 1980s, while warm, are well within U.S. natural variability.

More important, the National Climate Data Center of NOAA shows that virtually all of the U.S. warming patterns since the 1940s have been in the form of rising nighttime lows, not rising daytime highs. In 1990, the U.S. anomalies were virtually all confined to the early spring and late fall.

If Mr. Gore tries to warn Iowa and New Hampshire farmers against warmer springs and late falls, it may not be good politics. And he'd better not talk to citrus growers either in California (who lost their entire crop in December 1990) or Florida where they have had 24 arctic outbreaks in the last 30 years, forcing growers to move south, not north.

They just might like a little greenhouse effect.

Mr. WALLOP. Yesterday, while the President was being attacked for not being green enough, I introduced a bill which will promote environmental security by reducing greenhouse gases. This bill is the National Energy Security Act. Ironically, some of the environmental groups which are most concerned about greenhouse warming attacked the Wallop-Johnston bill without having even read it. One has to wonder about their agenda.

Actually, we can receive the full flavor of their agenda by reading the recent seven-part series by Warren Brookes on how various green groups are seeking to deny access to public lands. This is a growing threat to private property and public access. I would commend the articles to my colleagues, and ask unanimous consent that they be printed in the RECORD.

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

[From the Washington Times, Jan. 17, 1991]

GREENLINING: BACKDOOR TO LIMITING OUR USE OF LAND?

(By Warren Brookes)

Even as the Soviet Union moves to grant property rights to its citizens, Congress and the "greens" are leading an assault on U.S. property rights. The Bush administration is ambivalent.

Alleged threats to our ecosystem are the premise for "greenlining" much more of America, either by buying land directly or putting environmental sanctions against private land use. Current Environmental Protection Agency Administrator William Reilly laid out the goal in a 1985 article, "to extend the national park tradition to land not owned by the federal government . . . to further the evolution of the park ideal" or, as a critic put it, "turn the United States into one big park!"

In this most capitalistic nation on Earth, the U.S. government already owns more than 32 percent of the total land area, the largest such share of any Western democracy. Since this land is worth more than $500 billion at current market prices, one might expect we'd sell some of it to reduce the deficit. Not so.

Instead, in last fall's deficit reduction" agreement, the Land and Water Conservation Fund received $346.4 million for fiscal 1991, its highest appropriation in 10 years, up 49 percent from fiscal 1990 ($232.6 million) and more than double fiscal 1988's $170.4 million.

LAND AND WATER CONSERVATION FUND

[In millions of dollars]

	Current dollars	Constant 1990 dollars
1966	125.0	486.3
1970	131.1	410.5
1975	307.5	681.9
1978	805.0	1,466.2
1981	288.6	403.7
1984	295.9	361.3
1988	170.5	184.8
1990	232.6	232.6
1991	346.4	331.4

Source: Office of Management and Budget.

Conservationists say in constant 1990 dollars this is well below the spending during the Carter years (from 1977 to 1980), when land acquisition averaged more than $1 billion a year. While that was sharply cut in the Reagan years, under President Bush the trend is being reversed even in fiscal austerity, when state voters in Oregon, Washington, Maine, Missouri and New York are saying no to such land grabs by huge margins.

Not only are government land-taking budgets (at all levels) on the rise, but government is extending its control over our property through two laws, wetlands preservation and endangered species, with a third method called "Greenline Parks," well under way with more than 50 million private acres now being targeted.

If you own, say, 30 acres of land, and half of it is classified as wetlands by the U.S. Corps of Engineers or the EPA, you are not free to use it as you wish. This amounts to a government "taking" of your property without compensation. EPA guidelines effectively define 70 percent of U.S. land as wetlands.

Most of what's left could violate the Endangered Species Act. Should you possess land that is home to any species of flora or fauna that has been classified by the U.S. Fish and Wildlife Service as "endangered," this sanctions that land against residential, commercial and even agricultural development.

With these two weapons, Uncle Sam and the "greens" can now nullify property rights in 70 percent to 90 percent of U.S. private lands.

As the New York Times reported on April 24, 1990, the wetlands law, contained in the Clean Water Act (up for renewal this year) has created "a web that has now entangled

farmers, environmentalists and federal agencies in legal disputes across the country. What a runaway bureaucracy wants them to do, farmers say, is convert good cropland into bogs and marshland . . . with total disregard of property rights guaranteed under the Constitution."

As farmer Rick McGown of Missouri told the New York Times, "They are using the Clean Water Act to capture farmers' property." Mr. McGown faced prosecution because he restored 150 acres of brushland to corn production yielding an incredible 150 bushels an acre, when the Corps of Engineers declared his land to be "wetland" simply because it contained cattails—that later turned out to be wheat sorghum.

To arrest this turf-grabbing, the Reagan administration in 1988 issued an executive order requiring the Justice Department to review all regulations to ensure against uncompensated "takings." That order was upheld in the U.S. Claims Court by Chief Judge Loren Smith last July when he ordered the government to pay $3.7 million to two companies who lost use of land under wetland rulings.

Those rulings alone could halt the wetlands and endangered species excesses. But the Bush EPA and Justice Department largely ignored this executive order, and takings increased. To slow this down, Senator Steve Symms, Idaho Republican, attached an amendment to the 1990 Farm Act that would have made this executive order law. It was defeated 52–43, mainly by Democrats plus a few Bush Republicans pressured by administration lobbying against Mr. Symms. But now the administration supports the Symms bill in the new Congress.

That bill would upset the whole drive for national land-use planning, especially the device of establishing "Greenline Parks," which put private property holders under costly sanctions and would undoubtedly qualify as uncompensated "takings."

Central to that "big park" approach is the work of the Nature Conservancy, an organization that promotes itself as a private conservation model but which spends two-thirds of its annual land budget purchasing property for the government.

As Nature Conservancy President William Weeks said, "We must have a partnership with government. We have to work across the country to bring every force to play in promoting biodiversity." One of those forces is what Mr. Weeks calls "the Natural Heritage System, a computerized mapping system we helped develop for the government, which has virtually inventorized the entire United States. If you show these folks a particular spot in your state, they can show you what rare and endangered species might be there."

Without a "takings" bill to defend against this new "green" network, American property rights are now profoundly threatened.

[From the Washington Times, Jan. 21, 1991]

BIG PARK COMING AT YOU?

(By Warren Brookes)

If you live within 50 miles of any national park, pay attention. In 1985, current Environmental Protection Agency Administrator William Reilly, then head of the Conservation Foundation, wrote, "Leadership by the conservation community will be tested during the next generation as the country faces the need to extend the park tradition . . . outside park boundaries."

Ten years ago, Ann Corcoran would have resonated to Mr. Reilly's lofty dreams. She was a Washington lobbyist for the National Audubon Society. A master's graduate of Yale's School of Forestry, she was a committed environmentalist.

Today, however, Ann Corcoran has become a one-women political force working with aroused property owners across the country against what she now regards as a naked attempt by wealthy environmentalists to use tax breaks to lock up more of America from private landholders.

Her transformation came when she and her husband bought a 300-acre hilltop farm that borders on the Antietam Civil War battlefield near Sharpsburg, Md., and spent their capital restoring this farm to viable operation. Said she, "I was just going to raise the kids and the cows and that sort of stuff."

Then one day in 1988, some of there old Washington colleagues told her of a National Park Service plan to turn Antietam into a "big green park" with a convention center and upscale, "environmentally benign" development—no dirty farming allowed.

At the same time, Ms. Corcoran learned of the very quiet purchase of three farms around her by the Conservation Fund, a relatively small but well-financed offshoot of the Nature Conservancy and headed by Patrick Noonan, former president of the Nature Conservancy. Most of Conservation Fund's money comes from the Nature Conservancy's angel, the Richard K. Mellon Foundation.

The clear intent of this project was to buy the land around private farmers like the Corcorans and then transfer it to the NPS, which would subsequently make these private persons "inholders" (those who own property within government preserves), subject to a full panoply of regulations over land use and development. As Conservation Fund spokesman Jack Lynn freely admitted, "We were asked by the Park Service to acquire the property, and we did so."

But Ms. Corcoran found there was more to it than that. For one thing, one of the properties had been acquired at a bargain basement price of $195,000 by an employee of the Department of Housing and Urban Development, who was then on loan to the Conservation Fund, and his partner, another HUD employee. Together, they subdivided this property, selling most of it to the Conservation Fund, for a total price of $302,000 and a profit of $107,000 in a sort of "green Robin Hudscam," now under investigation. Conservation Fund officials would not be interviewed for this story.

For another, Ms. Corcoran discovered a lengthy paper trail showing NPS officials worked hand-in-glove with the Conservation Fund in targeting the properties. That pattern is repeated so often around the country the Interior Department had to issue a July 26, 1990, policy memo forbidding such "inside trading" relationships and halting memberships on the nature conservancy state boards by Interior officials.

But the most damaging test of NPS intentions came in December 1989, when 12 landowners around the Antietam battlefield, including the Corcorans, offered to negotiate the sale of their development rights to the Maryland state land preservation program for current market value of developable land in the area. This would ensure that the land would remain farming.

But that permanent environmental protection was summarily rejected, even after the public expressed its disapproval of the NPS plans with a 63–37 percent straw vote. This happened despite heavyhanded efforts by the NPS to stifle opposition through "letters to the editor"—sent by an NPS employee using pseudonyms—tarring NPS opponents.

Yet throughout this effort, the NPS had no officially approved plan for the Antietam expansion. It was merely using the Conservation Fund as a backdoor agent for park expansion. The public might ask, "Why doesn't the National Park Service buy it directly?" One answer is that most Americans don't want to sell to Uncle Sam.

That sentiment is brilliantly captured in a deadly funny video called "Big Park," distributed by Wilderness Impact Research Institute of Elko, Nev. In it, an idyllic family homestead scene is interrupted by a NPS van with eight rangers in smoky hats and dark glasses, jiving to satirically threatening lyrics:

"Well now pardon me, but is this your land?
Your hallowed ground on which I stand?
Sure hate to break the new to you.
But your National Park is coming through
. . . wahoo . . . wahoo.
Well now pardon me but is that your home?
The house you worked so hard to own?
Sure would make a nice hotel.
And we have ways to make you sell.
And we don't take no from anyone,
We just want to take your land . . .
Big Park . . . Big Park."

In the video, the NPS rangers remove the contents of the house and tie up the family in red tape, hauling it away to the strains of their final "anthem" to parkdom: "God bless all the animals, the forests and the streams, we'll get rid of all the people and build the Big Park of our dreams . . ."

The slanted message is only slightly more menacing than real policy. As Ann Corcoran told the House Appropriations Interior Subcommittee last March: "This practice of land trust acting as the 'stalking horse' for a federal agency (NPS) must be investigated. [It] circumvents congressionally mandated planning and public review and comment processes."

It can also be very profitable for the land trusts.

[From the Washington Times, Jan. 23, 1991]

HIJACKING DEVELOPMENT?

(By Warren Brookes)

In 1988, Sen. Warren Rudman, New Hampshire Republican, put a rider in the fiscal Interior Department appropriation, forcing Diamond International Paper Co. to sell a 53,000-acre New Hampshire parcel either to The Nature Conservancy (TNC) or the Society for the Protection of New Hampshire Forests or have the land "taken" by the U.S. Forest Service for $5.25 million, a fraction of its actual value.

"This was a direct pre-emption of plans by Diamond to sell part of this land to Rancourt Association, a developer. Mr. Rudman's rider was part of funding the USFS Northern Forests Land Study.

That May 1990 study produced the Northern Forests Land Council, whose goal is to "greenline" 26 million acres of mostly (90 percent) private forests in the Northeast against development. Yet private owners have produced a 79 percent rise in Northeast growing wood volume since 1950 compared with a 10 percent decline in federal forests. Private management usually swamps public in environmental care.

But even "greenlining" was not enough for the zealots attending the "Growth Management Forum" of the New England Environmental Network at Tufts University Nov. 3–4, 1990. National Audubon Society's Washington lobbyist Brock Evans told conferees this land "should all be in the public domain. Be unreasonable. You can do it. Let's take it all back."

Mr. Evans scorned the timidity of USFS' Stephen Harper, author of the NFLS, be-

cause Mr. Harper recommended "greenlining" instead of acquisition. Mike Kellett of the Wilderness Society was equally critical: "It is very likely that most of this will end up being public land . . . that will probably be the only alternative."

In response to those who argue against such huge forest "muscums." Sandra Lewis of the Tufts Environmental Studies Program was contemptuous: "I think there is a lot to be said for muscums, and I think that more and more we are going to want to preserve our past . . . in the form of our ecological culture."

While it's no surprise to hear environmentalists talk this way, that sentiment is shared at top levels of the Bush administration. In 1988, Michael Deland (now President Bush's chairman of the Council on Environmental Quality), told the Boston Globe, "Buying land is a significant step, but there are also areas that are so valuable they must be preserved by government fiat. And we need master planning at all levels of government" to stop "uncontrolled and unfettered" development, even if it means federal agencies ganging up with environmentalists to stop it.

A case in point. In 1988, Alan Murray, a developer from Yarmouth, Maine, purchased 59.4 acres of remote waterfront (ocean inlet) property on Bellier Cove, close to the Canadian border. Mr. Murray made this small purchase for $215,000 after receiving initial approval from the Maine Land Use Regulation Commission (LURC) in November 1988 to create 10 residential oceanfront lots of from 2.5 to 6 acres in size. To get this, Mr. Murray agreed to restrictive conservation easements on the entire 250-foot-deep shoreline zone, on three undeveloped lots and two stream corridors.

As the Bangor Daily News admitted in an editorial opposing the development. "The developer has reached an agreement with the Department of Inland Fisheries and Wildlife on a plan that is even more restrictive in some ways than the LURC zoning regulations."

But Mr. Murray didn't count on the U.S. Fish and Wildlife Service (USFWS) that runs the Moosehorn National Wildlife Refuge (MNWR). At the time it was miles from Bellier Cove, but MNWR Manager Douglas Mullen wants to turn it into a full-blown park with (unauthorized) plans to acquire at least 2,100 to 10,000 more acres. As TNC's Maine Director Kent Wommack told us, "USFWS let us know quite early that they wanted Bellier Cove."

TNC national President William Weeks said: "We do work closely with USFWS. We buy these properties when they need to be bought, so that at some point we can become the 'willing seller' (to government). This helps the government get around the problem of local opposition." Instead, Mr. Mullen orchestrated protests by the Natural Resource Council of Maine and the Quoddy Land Trust against Mr. Murray, who then offered to sell this property to them for $360,000, the market value of the units, less their marketing costs. No takers.

Instead, at the final hearing on his petition in July 1989, Mr. Murray was suddenly confronted by Mr. Mullen himself, speaking not only on behalf of his own agency but as the spokesman for NRC (and TNC), saying he opposed any homes on Bellier Cove, and planned to acquire it for the MNWR, though he had no budget.

Mr. Mullen's testimony was enough to get the LURC to rescind Mr. Murray's petition. This forced him to sell his property to TNC for $235,000, a fraction of the $400,000 that the property should have brought on the market. TNC then confirmed its plans to resell to USFWS when (and if) they have funds. But Mr. Wommack admitted, "We've already seen a quarter of a million go out the door, so we may eventually have to resell this property as two 30-acre residential building lots."

Readers can discount what happened to one developer, but the "taking" of Bellier Cove by TNC and USFWS may have frightened developers enough to cause an effective 40 percent cut in all undeveloped shoreline value for thousands of property owners.

Little wonder on Nov. 6 Maine voters said no to a $19 million state land acquisition bond by a 59–41 margin. Across the country, landowners are waking up to the greenline threat to private property.

[From the Washington Times, Jan. 25, 1991]

LAND TRUSTS OR GOVERNMENT ADVANCE MEN?

(By Warren Brookes)

In 1977, Janet and Bill Rogers bought 160 acres in the northwest wilderness of California near Zenia, on a 4,000-foot-high ridgetop, and settled down to improve it, planting fruit trees and vegetables, digging wells and building their home.

Soon they discovered they had a serious enemy. They had purchased one of the few private land parcels left in a county where the U.S. Forest Service owns 90 percent of the land.

That made the Rogerses "inholders," a polite term for those who happen to own property in National Parks, or National Forests. What they didn't know is that since the early 1960s the policy of federal agencies has been to drive inholders out of their land. In the Rogerses' case the technique was to do nothing to prevent those who lease grazing lands from USFS (for a bargain) from letting their cattle use the Rogerses' land, making impossible any cash-crop agriculture.

When the Rogerses put a gate on their road, the USFS tore it down. Marshals took the Rogerses off in chains for violating "public access." When the Rogerses took the agency to federal court, the USFS tried another favorite gambit: "They suggested we sell our land to the Trust for Public Lands [TPL, a private land conservation organization in San Francisco], so it could be environmentally preserved. We said no, because we believed that TPL would only resell the land to the Forest Service. We wanted to live on it and work our own land."

The USFS has in fact been using TPL as a kind of land agent for two decades. The incentives are obvious. Sellers get tax breaks by getting an appraisal for "highest and best use" and sell the property to TPL for a lower price, claiming the difference as a tax-deduction. (Taxpayers pay once.) TPL, a tax-exempt organization, sells the land to the government for the appraised price and receives the difference. (Taxpayers pay twice.)

Nothing better illustrates this relationship than the Columbia River Gorge area of Oregon. In 1978, USFS let it be known it coveted remaining inholdings in Mt. Hood National Forest near the Port and the City of Cascade Locks. All the land was in existing towns or communities, so by law USFS had to get permission to take this land off tax rolls. The city said no. Then in 1979, TPL's Harriet Hunt Burgess showed up announcing she had a sales contract and options for 550 acres. This sale removed the property, including the entire town of Wyeth, from the tax rolls in March 1980. That made the Cascades Locks governments' objections moot, and the deal was done. There is still a freeway exit marked "Wyeth," but the town has disappeared.

TPL was well rewarded. It bought these properties from Joseph Yoerger in two blocks. In the first, it paid a purchase price of $750,000 on Aug. 14, 1980, at 11:22 a.m. At 11:23 a.m., TPL sold this block to USFS for $944,000, a gain of $194,000. Three minutes later, TPL executed its option to purchase the second Yoerger block for $175,000, and one minute later sold it to USFS for $292,000, a gain of $117,000 on a $1,000 option.

This kicked off a whole series of TPL/USFS deals in the Columbia Gorge, culminating in 1986 when, late at night without hearings, Rep. Les AuCoin, Oregon Democrat, secured the creation of the Columbia River Gorge National Scenic Area. (CRGNSA), with appropriations for the USFS to take land off TPL's hands as "hardship cases." Leading that "hardship" lobbying was Ms. Burgess, who now is a member of the National Academy of Science's Committee on Federal Land Acquisition.

TPL's Ralph Benson says, "Over all, we barely broke even on Gorge transactions." But he readily admitted that, "TPL's entire cash flow income is generated through such transactions. Sometimes, we work hard for very little gain." Case in point: In the fiscal 1991 "austerity budget" for land acquisition, the USFS received $2.8 million more for Gorge acquisitions than it had requested, to purchase "the Reynolds property."

The "Reynolds property" is swampish land owned by the Reynolds Aluminum plant at Troutdale, Ore., as a buffer zone. Even though the property is a wetland with no development value, Reynolds secured a "best use" appraisal of $2.8 million. Next week, TPL will pay Reynolds "around $2.7 million," and then immediately resell the property to the USFS for the $2.8 million appraisal price, a transaction gain of less than $100,000, less than 4 percent.

On the other hand, we looked at all four of the transactions between TPL and the Bureau of Land Management (BLM) from 1986–1988, and all showed gains, ranging from $29,000 to $194,000, or a total of $378,743 on $1,875,620 worth of sales to the government, an average transaction gain of 20 percent. (See Table.)

Mr. Benson said, "TPL makes no bones about the fact that all of our properties are purchased for resale—and mostly to the government. Everything that comes in goes back out. It's also true that most of our contributors are those who sold us this property for less than its government-appraised value. That is the way we operate."

But why should the tax code be used to generate transaction gains for conservation groups on land transfers to the government? And why does government need such agents with a lobbying interest in expanding and facilitating federal land ownership?

TPL DOING WELL BY DOING GOOD?

Date	Transaction	Amount
Aug. 14, 1980	Yoerger to TPL	$750,000
Do	TPL to U.S. Forest Service	944,000
	Gain to TPL	194,000
Do	Yoerger to TPL	175,000
Do	TPL to USFS	292,000
	Gain to TPL	117,000
Do	Rex Clemens Ranch to TPL	450,000
Aug. 22, 1986	TPL to Bureau of Land Management.	644,000
	Gain to TPL	194,000
June 2, 1987	Quarter Circle Ranch to TPL	164,050
April 29, 1987	TPL to BLM	193,000
	Gain to TPL	28,950
Jan. 14, 1988	Quarter Circle to TPL	360,077
Jan. 22, 1988	TPL to BLM	423,620
	Gain to TPL	63,543

TPL DOING WELL BY DOING GOOD?—Continued

Date	Transaction	Amount
Feb. 5, 1988	Quarter Circle to TPL	522,750
Feb. 3, 1988	TPL to BLM	615,000
	Gain to TPL	92,250

[From the Washington Times, Jan. 25, 1991]

DEVELOPMENT FOR A FAVORED FEW?

(By Warren Brookes)

Through most of its early life (1951–1970) The Nature Conservancy (TNC) was a uniquely American approach to conservation, using small donor funds to preserve small selected sensitive natural habitats with emphasis on local chapter, private control.

But during the 1970s under its president, Patrick Noonan, TNC shifted from small to large projects, from small contributors to big money sources, from purchases to deal making. As Mr. Noonan's land acquisition head Dave Morine boasts in his book ("Good Dirt"), "During the late '70s The Nature Conservancy did some of the biggest land deals in the history of conservation."

The stimulus of this was a melding of "big science" with "big money," much of it from the Richard K. Mellon Foundation. TNC biologist Robert Jenkins wanted to move away from saving small "biotic lifeboats" into targeting whole ecosystems. Mr. Morine was shocked: "We were having enough trouble trying to buy the life-boats. How were we going to pay for luxury liners?"

Answering that question moved TNC into uncharted waters, and none more so than its 1970s acquisition of 14 of the 18 barrier islands along the Eastern Shore of Virginia (Accomac County) from the Chesapeake Bay-Bridge Tunnel to the "pony island" of Chincoteague. They call it the Virginia Conservation Reserve (VCR).

When the Virginia legislature started talking up commerical beach development there, TNC ecologists warned that these low storm-swept islands would require so much maintenance that wildlife habitats simply could not survive. So TNC pre-empted those beach development plans by buying up all the islands.

So far so good. But the TNC scientists wanted more. TNC then protected access to the islands by buying up the six deepwater port frontages facing them. As Mr. Noonan explained it, "No developer's going to invest a lot of money for frontage on the Eastern Shore if he can't get access to the beaches."

But by that time Mr. Noonan had sunk $25 million or nearly all of TNC's permanent capital into VCR's more than 40,000 acres. Mr. Noonan told his staff, "Don't worry, the VCR will make an excellent U.S. Fish and Wildlife Refuge. You can sell it to the Feds and get all your money back."

Mr. Noonan had reason for optimism. Two-thirds of TNC purchases are resold to government. In Texas, some 90 percent of the land acquired by TNC is now in government hands. The dividing line between TNC and government is thin. In New Mexico, Mike Spear, USFWS regional director, is on the state TNC Board of Trustees. New Mexico Bureau of Land Management state director Larry Woodward was a TNC board member until forced to resign last October. Current Texas Public Works Department Commissioner Tim Hixon is on the TNC national board of governors. A close relationship! Not, however, close enough to protect TNC from the Reagan years' land-funding drought. But Mr. Noonan already had a plan to secure the rest of Accomac County without government. Beginning in the middle 1970s, something called the Allegheny Duck Club, a partnership consisting of TNC's biggest "angels," Seward Prosser Mellon, Richard P. Mellon and their late sister Constance Brown, began buying up land on the mainland, using their legal counsels and Mr. Noonan as surrogates.

By 1984, these surrogates had amassed some 6,000 acres of farmland-marshland-shoreline worth millions of dollars, including the entire town of Oyster, Va., without even the knowledge of some of TNC's own employees, let alone the communities.

As Field and Stream Conservation Editor George Reiger wrote last August, "So much secrecy surrounds the inner workings of TNC [that] TNC Virginia biologist Rod Hennessy quit TNC when he discovered those bird-watching trips he had been conducting were nothing more than real eastate safaris for Allegheny Duck Club members.

TNC President William Weeks admits "We are a quiet organization. We always tell the truth about what we are doing in the community. But not by way of press release. We do it in as quiet a way as possible. We do not lie when we are asked."

When the questions rose hot and heavy in the local press in December 1984, TNC announced its plans to acquire all of this "privately acquired" land from the surrogates in return for unidentified swaps of other TNC properties and resell them for "quality development." This prompted Mr. Reiger (a longtime TNC member and a resident of Accomac) to warn in October 1986 that instead of its commitment to preservation, "TNC is planning to create a developmental corporation which will subdivide its attractive seaside and bayside Eastern Shore lands into recreational and retirement home lots. TNC will be able to make so much money from selling these Virginia farm, woodlands and wetlands it will be able to buy and develop even more . . . in other states!"

But while TNC has sold properties to, among others, billionaire John Kluge, it has been unwilling to sell to Accomac natives. As one top TNC official told a colleague, "We're going to get all of those people out of there and put our kind of people in."

TNC's Mr. Weeks bristled at such a suggestion. "We have a strong interest in the Eastern Shore and Accomac, but there is no plan for us to become the dominant owner. We have no problem with the Kluge deal. We had no financial reward, but we got permanent conservation easements in the deed in perpetuity."

But no such deal was available to Accomac produce farmer Steve Van Kesteren, who offered TNC to buy his own 340-acre farm back "on any terms that would be agreeable to them. We have always managed our farms for wildlife, and as a member of TNC I would have accepted any sanctions. But I never heard back from them. They clearly have something else in mind." That "something else" seems to some to be an exclusive club for the rich. As Mr. Noonan said of his 1980 plans to start the Conservation Fund: "I've found a big foundation that wants to become active in conservation. Its trustees are not your typical conservationists. They're hard-nosed businessmen. Their interest in the outdoors is from hunting and fishing. They want to save land, but they don't want to deal with a bunch of fuzzy-faced idealists."

[From the Washington Times, Jan. 28, 1991]

GREAT GREEN SCAM?

(By Warren Brookes)

During the halcyon years of the Carter administration, The Nature Conservancy (TNC) used taxpayers to fund much of its expansion in what former TNC officer Dave Morine calls in his book "Good Dirt" a process of "leverage and rollover."

Mr. Morine, an unabashed advocate of locking up as much land as possible under government control, wrote: "The Conservancy's new strategy was to use private funds as a catalyst to stimulate public funding for conservation. Leverage and rollover. Leverage and rollover. That's all I ever heard from the trustees."

But when Interior Secretary James Watt arrived in 1981, he "not only refused to consider buying any more land, he welshed on all of the prior commitments that had been made to the Conservancy. . . . We were left holding $20 million worth of natural areas we had pre-acquired. . . . I had to find a new source of funding."

While Mr. Morine found some of it in state governments, most of it was generated through doing private real estate deals. As The Washington Post reported last February, TNC "does not limit its acquisitions to the real estate it intends to preserve. Instead it sometimes speculates in land purchases and invests the proceeds into property it has identified as vulnerable."

What's wrong with this? U.S. taxpayers are paying for it. A year ago, at the convention of the National Association of Home Builders in Atlanta, Frank Boren, former president of TNC, and Richard Friedman, director of TNC's Trade Lands Program, held a workshop for developers.

In it, Mr. Boren showed how environmentalism could be a very profitable gimmick for real estate development: "Appraisals [of properties] are done on the basis of highest and best use, and then on the basis of a conservation easement. The difference [between the two] then becomes a tax deduction."

Mr. Boren said this is why "we have a good relationship with corporate America. Kimberly Clark [K/C] decided to go out of business in a Wisconsin town and gave us 32 land parcels that we can trade. Not only did we end up validating a $32 million tax deduction for K/C but they [the community] have . . . a nice recycling of the land. K/C was pleased enough that a couple of years later they gave us 10,000 acres of [marginal] forest land down in the Southeast. It just made sense to make a contribution, take the deduction and put that money to work. We are in the process of reselling that land now."

TNC became KC's broker/developer. In this way, Mr. Boren said, TNC "brings in about 100 pieces of property a year from individuals and corporations and move them back out and get them working. We don't take any land in trade unless it has development potential." In addition to the obvious tax advantages, TNC offers developers "green insurance:" "Usually what happens is the Sierra Club and the Audubon Society will come in and things stop dead in their tracks, and the [TNC] can come in and work things out. If you are going to buy a large tract of land and if it looks like it's fairly wild, you are out of your mind if you don't check with the [TNC biodiversity] data bank first" and with TNC's land folks, second.

As Mr. Boren told the developers, "Just a little light and cooperation can save everyone a lot of money in court costs and time." As an example of this, Mr. Boren described a deal in Palm Springs, Calif., where developers had bought a large area of sand dunes only to have it sanctioned when the fringe-toed lizard was put on the endangered species list.

"We [TNC] were called in to look at this situation by some of the developers. Our sci-

entists determined that if we could put together about 13,500 acres over next to the San Gregornio mountains . . . that would probably enable us to tell the U.S. Fish and Wildlife Service that the lizard would not go extinct."

Mr. Boren then told how TNC facilitated a highly sophisticated $25 million development package that included land offsets from three government agencies and then sold that package to the city councils of Palm Springs and Palm Desert, with mitigation payments in part to maintain the TNC preserve. In short, TNC didn't stop development, it merely leveraged it for its own benefit.

Mr. Boren told them about another prospective TNC "green deal" to raise money: "TNC has a major preserve on the Elkhorn Slough in the Monterey [Calif.] area. . . . one of the estuaries of the Salinas River that feeds Monterey Bay, a great birding site. Unfortunately, the farming in the area is heavily strawberries [where] they use pesticides and herbicides. . . . and that's getting into the slough and starting to affect the chain of life."

Mr. Boren told of TNC plans to bring its own developer into this preserve and "put 10–20 townhouses about 350 feet above the sea level with good views of Monterey Bay, and we'll take the strawberries out and reforest with native vegetation, put some trails down into the preserve and you will be in the middle of a massive bird [watching] site. We'll see if we can't drill those units out to affluent people in the Bay area that want a second home."

In short, they use TNC preserves to leverage upscale adjacent development because, Mr. Boren said, "The nature preserves are not going to make it unless we have compatible development side by side." But many former supporters say this moves TNC across the line from biodiversity protector to elitist "green developer." TNC's model for doing this is the granddaddy of conservation funding, Laurance Rockefeller and his "green government."

[From the Washington Times, Jan. 29, 1991]

(By Warren Brookes)

EXCLUSIVE CLUB OF R&R?

There's a Washington joke that an environmentalist is someone who already owns a vacation home and doesn't want someone else buying the vacation property next door.

Scratch the surface of the tight little network of "land perservers" and you find this may not be such a joke. Writes conservationist Alston Chase.

"The conservation elite, many of whom come from Eastern families long listed in the Social Register, live in Washington and zigzag back and forth between jobs with environmental public interest groups and the government agencies responsible for environmental matters."

This small group of mostly white, mostly Ivy League males have learned how to work with and for two of America's wealthiest families, the Rockefellers and the Mellons, to put a growing share of the country off limits to economic development, but much of it available for exclusive upscale enclaves.

The leading "angel" in this green lining network is Laurance Rockefeller, whose Rockefeller Brothers Fund is a key funding resource for a slew of environmental groups, including The Conservation Foundation (CF) and World Wildlife Fund (WWF, where he is a trustee), the American Conservation Association (ACA, where he is chairman and director), the American Farmland Trust (AFT), the National Parks and Conservation Association (NPCA), the Natural Resources Defense Council (NRDC) and the World Resources Institute.

Mr. Rockefeller generously has given a fortune in land to the nation, including much of the Virgin Islands National Park and of the Haleakala National Park in Hawaii. But, as Mr. Chase points out. "He also kept commercial interests in or near some of these places, and through out his life has promoted the apparently contradictory goals of both resort development and preservation."

Not surprisingly, that is precisely the model used by groups like The Nature Conservancy—creating exclusive preserves as a magnet for profitable upscale adjacent residential development that then is used to finance still more acquisition.

One of Mr. Rockefeller's key proteges in this "Permanent Green Government" is William Reilly, now Environmental Protection Agency administrator but widely believed to be heir-in-waiting as the next interior secretary.

Mr. Reilly has divided his career between top jobs financed by Mr. Rockefeller (CF and WWF) and bureacratic assignments, beginning with the Council for Environmental Quality under President Nixon.

But Mr. Reilly's main interest is not in "big environment" issues like acid rain or global warming, but with national land use planning. In 1972, Mr. Rockefeller named him executive director of the "Task Force on Land Use and Urban Growth, where he helped write "The Use of Land A Citizens Policy Guide." This laid out many of the premises for using "biological diversity" as a rationale for limiting the two bete noires of environmentalism single family housing expansion (urban sprawl) and commercial agriculture.

Out of this, Mr. Reilly became president of CF, the most exclusive and prestigious environmental think tank of all, which he later (in 1985) merged with WWF, whose chairman is Russell Train, a former EPA and administrator. During the 1988 campaign, it was a major CF report by Mr. Reilly that generated the commitment from both presidential campaigns to enforce a "no net loss of wetlands" policy, now being thrashed out within the Bush administration.

When Mr. Reilly went to the EPA in 1989, Mr. Train took over CF, in addition to his WWF responsibilities. Mr. Train also is a trustee of NPCA, the AFT, and the World Resources Institute. Mr. Train's CF executive vice president and former Reilly colleague Doug Wheeler was recently named California's director of natural resources. Reilly and Train colleagues are everywhere in the land "conservation" game.

Patrick Norman is equally ubiquitous. With Seward Prosser Mellon's help, he put the Nature Conservancy on the map during the 1970s as its president. In 1980, with Mellon money, he founded a smaller "quiter" land trust enterprise called the Conservation Fund, the movers and shakers in the Antietam battlefield dust-up.

Mr. Noonan also finds time to be chairman of the board of the (Rockefeller-based) AFT, and is a trustee of Rockefeller's ACA, the mother ship of the conservation movement. His closest colleague is Mason Walsh, chief counsel for the Rickard K. Mellon Foundation (RKMF), and, along with Mr. Noonan, one of the RKMF surrogates in quietly buying up the Eastern Shore of Virginia in the 1970s and 1980s. Mr. Walsh also is AFT vice chairman.

With connections like these, it's no wonder that when the National Academy of Sciences formed its "Committee on Federal Acquisition of Lands for Conseration" with its congressional mandate of developing a $30 billion long-range American Heritage Trust land-acquisition program. Mr. Noonan was immediately appointed, although he recently resigned.

Also appointed was Harriet Hunt Burgess, West Coast land trader for the Trust for Public Lands and architect of TPL's land transfer from private to public ownership in the Columbia River Gorge, and a leading land-acquisition lobbyist on Capitol Hill.

The NAS overseer for this new Land Acquisition Committee is Nathaniel Reed. In addition to his work as Trustee of Rockefeller's NRDC, Mr. Reed is a vice chairman of the National Audubon Society and serves on the president's council for the AFT. And from his exclusive Hobe Sound, FLA., home, Mr. Reed is one of the movers and shakers in the land lockup movement.

That movement has always been the darling of the Republican elite, most of whom it is safe to say, already have more than one vacation home and can well afford to see much more of this beautiful country "preserved" against the kind of economic development and exploitation that built their own family fortunes.

No doubt they have accomplished many worthwhile goals. No doubt also their appetite for doing still more of these good deeds represents a threat to the private property rights of ordinary Americans who haven't bought their first vacation home, but whose taxes are underwriting this elitist "land grab." Maybe that is why ordinary citizens are voting against it in such record numbers.

Mr. WALLOP. Mr. President, I thank the Chair and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

MORNING BUSINESS

Mr. MITCHELL. Mr. President, I ask unanimous consent that there now be a period for morning business.

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

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I have discussed with the distinguished Republican leader two matters on which we had hoped to proceed today, and I would like now to inquire on both of those matters.

First, with respect to S. 330, a bill to amend the Soldiers' and Sailors' Civil Relief Act. As the distinguished Republican leader knows, this legislation would affect the Soldiers' and Sailors' Relief Act which wa enacted in 1940 and has not been modified since 1972 and would, among other things, increase from $150 to $1,200 the maximum rental amount of a residence from which the

family member of a service member cannot be evicted.

We have been receiving reports of family members here of service men and women in the Persian Gulf confronting difficult circumstances, and this is an effort to improve their situation. It is my understanding that the House has acted on the matter and was prepared to accept the legislation in the form of S. 330 and that we were seeking consent to act on H.R. 555, the House companion bill, with the only amendment to be the substitution of the Senate version of the legislation in lieu of the House bill and that the House would have then accepted that and legislation would have been enacted today, and my hope is that we could proceed to do that so that we can get this action done prior to the recess.

I inquire of the Republican leader whether we are able to get consent to proceed so that there would be no amendments to the legislation other than the one which I have described which would facilitate complete action on the legislation during today.

Mr. DOLE. Mr. President, the objection on this side by Senator HEINZ is not to taking up the bill but to proceed including amendments. He has a gulf orphans amendment he would like to offer to this particular legislation and since the request would be that no amendments be in order except the one referred to by the distinguished majority leader, I would object on behalf of Senator HEINZ.

Mr. MITCHELL. Mr. President, I might say, of course, Senator HEINZ is within his rights to object in this manner, but it is a most regrettable result. The effect will be that the enactment of the amendments to the Soldiers' and Sailors' Relief Act which is intended to relieve the circumstances in which spouses of service men and women who are now in the Persian Gulf face—a very serious, adverse situation—will be delayed until after the return of the Congress on February 19. So we hoped to get this done now. Any Senator, of course, may offer an amendment and is within his or her right to object to a request to act without amendment, but I regret that that occurred in this case.

I will say that we are going to try when we return to move this bill very promptly, and I will be renewing the request with the distinguished Republican leader. We talked about this and, of course, we are supportive of this legislation and want to try to move it, and we are going to try to move this as promptly as we can when we return on February 19.

Mr. DOLE. Mr. President, will the majority leader yield?

Mr. MITCHELL. I yield.

Mr. DOLE. Let me underscore the willingness to take up the bill right now and deal with the Heinz amendment, but that is not the wish of many Members. I would think when our bipartisan group headed by Senators GLENN and MCCAIN put together a package of all the different things that may affect service personnel in the gulf that would be most helpful, and perhaps we would be faced each time we want to bring up something with another amendment. They are working on that as I speak, I believe.

Mr. MITCHELL. They will. And I hope that we can move that more comprehensive legislation as promptly as possible.

OMNIBUS EXPORT ADMENDMENTS ACT

Mr. MITCHELL. Mr. President, the other matter which I had hoped we could proceed to is S. 320, a bill to reauthorize the Export Administration Act. In accordance with my prior discussion with the distinguished Republican leader, I now ask unanimous consent that the Senate proceed to the immediate consideration of Calendar item 8, S. 320, a bill to reauthorize the Export Administration Act.

Mr. DOLE. Mr. President, reserving the right to object, and I shall object, again this is a bill that I think most of us would like to move very quickly. Many of us worked on it in a bipartisan way. The problem is the final product was vetoed by the President, and this is essentially the same bill vetoed by the President.

I believe there are 139 areas. The administration would like to change just four of those. We are trying to accommodate the administration, speaking now of Members on this side of the aisle, and maybe Members on the other side of the aisle, as well.

Yesterday, we met in my office with General Scowcroft, representing the President; the distinguished Senator from Utah [Mr. GARN]; the Senator from Florida [Mr. MACK]; the Senator from Wyoming [Mr. SIMPSON]; and myself. I hope we can meet again tomorrow, and that we may be in a position to take up the bill at that time.

Mr. MITCHELL. Mr. President, I appreciate that. I understand an objection has been made.

The PRESIDING OFFICER. Objection is heard.

Mr. MITCHELL. Mr. President, as I indicated to the distinguished Republican leader that I would, I will momentarily move to proceed to the consideration of that matter. I understand Senator SARBANES will be here to discuss the substance of the legislation, and Senator PELL. It is my hope that we can work this out. It did pass with broad bipartisan support last year.

I understand that there is active consideration being give to making some modifications that would enable us to deal with it tomorrow. If we cannot, then I would ask the Republican leader if he could simply advise me as to what will happen with respect to the motion to proceed. If there is going to be an effort to indefinitely delay action on it, obviously we would have to consider what course of action to take them.

I hope that will not be necessary, because I think the issue in controversy is not the bill as a whole; it is just some particular provision of the bill.

Mr. DOLE. If the majority leader will yield, I would just suggest we would like to move the bill. Many of us are cosponsors. This Senator was active with others on this side. We would like to work out, if we can, three or four areas with the administration, minor changes. What the administration is opposed to is mandates, mandating certain things.

The administration feels you are better off, if you could give the President some discretion, then you can work out multinational penalties against Germany, or whatever the country might be. And if we make a mistake by mandating, and if we mandate and other countries do not do anything, we are in effect the loser.

It is my hope that we might suggest that, yes, the President would have a right to waive, but we would have a right to disapprove of that waiver, as we do in arms sales. That still gives Congress the last shot. We are discussing that now with the administration.

It is not the intent of anybody on this side to hold up the legislation, I say to the majority leader.

Mr. MITCHELL. I thank my colleague.

OMNIBUS EXPORT AMENDMENTS ACT

MOTION TO PROCEED

The Senate proceeded to consider the motion to proceed.

Mr. MITCHELL. Mr. President, I now move that the Senate proceed to the consideration of Calendar No. 8, S. 320.

The PRESIDING OFFICER. Is there any debate on the motion?

Mr. MITCHELL. Yes; I understand there will be debate. We will proceed with the understanding that there will be debate this evening. We will get a further report tomorrow on the progress and whether or not it is possible to proceed at that time. And, if not, we will have to make a judgment at that time.

Mr. DOLE. Will the majority leader yield for one other item?

Mr. MITCHELL. Yes.

Mr. DOLE. With respect to the vote on the nomination of the Secretary designee, Lynn Martin, is that possible this week?

Mr. MITCHELL. Yes; as I indicated yesterday in a colloquy with the distinguished Republican leader, it is my hope that we can proceed to that tomorrow. I understand that the nominee was reported by the Committee today.

My original plan was to try to do three things: The Soldiers' and Sailors'

Relief Act, the Export Administration reauthorization, and the Martin nomination this week. One is now not possible. I am still hoping for the other two.

In any event, I think we ought to proceed in an effort to accommodate the President and the Secretary designee, Miss Martin.

Mr. DOLE. I think in this particular case, the 1-week recess would not make that much difference. But that is the same week the AFL-CIO has the annual meeting in Bal Harbour, FL, and she would not be able to go unless she has been confirmed as Secretary of Labor.

Mr. MITCHELL. For that reason and others. As I understand it, there is not going to be much, if any, controversy on the nomination. So I think we can do it with a reasonably short time limit and a vote tomorrow. That is at least my hope at this time.

Mr. SARBANES. Mr. President, will the majority leader yield for a second while the Republican leader is still on the floor?

Mr. MITCHELL. Yes, certainly.

Mr. SARBANES. I say to the majority leader that, of course, these talks are taking place between the Republican leader and General Scowcroft and Members on that side. The bill was reintroduced by all the Members who served on the conference committee, both Democrats and Republicans.

The judgment of that group, out of two committees, the Banking Committee and the Foreign Relations Committee, was that we should come back with this legislation. The point at issue that the administration has raised, which was cited in their veto message, was, of course, a point that was at issue at the time that we considered it here on the floor, and is really that the administration seeks a sort of blanket discretion simply not to apply these sanctions against either a country that, used, or is preparing to use chemical weapons or a foreign company that has assisted in chemical weapons proliferation.

I know this is a difficult issue for the Republican leader, because he introduced legislation around which much of this legislation was constructed, as a matter of fact. So I know what his position has been.

But I simply want to point out that when word was received last year after we passed the legislation, we had a very long and arduous conference, with the House.

And the conference worked long and hard, I think, to, in effect, sustain and protect many of the proper positions that the administration said were important, particularly in the export control field, because they were concerned that some technologies would be allowed to go about which they had national security concerns. They were concerned about the participation of the Defense Department in the process, and all of that was protected.

So my perception, as one who was very much involved in that conference, was that, in fact, many, if not most, of the administration's positions had been sustained by the conference. That is certainly the feeling of the Members of the House. If we come back and have to redo this legislation, which I think would be a very bad development, then I think the cat is out of the bag, and you may well get legislation that might be significantly different.

Seventy-nine Members of the Senate, when word was received that the administration was considering a veto, sent a letter to the President urging him to sign the legislation.

In fact, what we said in that letter—because we addressed this very issue of discretion, and let me just quote for a moment:

> Despite our efforts, we not understand that some of your advisors are recommending a veto of the bill because of what they see as excessively limited Presidential discretion to waive sanctions in the chemical and biological weapons title of the bill. This is a very abstract judgment about Presidential discretion in foreign affairs. The real issue here, however, is how to respond effectively to the scourge of chemical weapons.
>
> The sanctions provision of the CBW title are premised on Presidential discretion. The President must make a determination that a foreign company has knowingly assisted proliferation and not been punished, or that a country has actually used chemical weapons. Once a determination is made, sanctions must be imposed for one year following which there is Presidential discretion to waive sanctions in the national security interest or if remedial action is taken. This is not unfettered discretion but it is certainly discretion as broad as that covering EAA sanctions in current law.

The letter went on to say:

> The only use of discretion broader than this would be to let a company selling chemical weapons or a country that uses chemical weapons against its people escape any punishment.

Then it goes on with a conclusion. Seventy-nine Members signed that letter in the Senate. I thought that was a good judgment, and my understanding from my cosponsors, is we continue to think that this is an important principle to contain in this legislation. So I very much hope we will be able to move to it and to consider it again.

The bill that has been put back in avoids any changes and therefore deals with this issue very directly. This was a matter on which the distinguished Senator from Rhode Island [Mr. PELL] and the able Senator from North Carolina [Mr. HELMS] have spent a great deal of time and effort. I hope we will be able to get to this legislation and consider it promptly.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. MITCHELL. Mr. President, I thank my colleague for his comments. I think they are well taken. I understand now that we are on the debate on the motion to proceed to the legislation. And I understand, Senator SARBANES and Senator PELL are prepared to address that subject, that is, the substance of the legislation. Mr. President, I therefore yield the floor so that they may continue with that debate.

The PRESIDING OFFICER. The Senator from Pennsylvania.

PREVENTING CREATION OF AMERICAN ORPHANS FROM THE GULF CONFLICT

Mr. HEINZ. Mr. President, I thank the majority leader for moving to this item of business. I do have something to say on it. But first I would just like to complete the record on the subject of the last bill, H.R. 555, which I gather the leader had wanted to obtain a unanimous consent to move to and through without amendment. I am advised that I am not the only Member who does seek to offer an amendment to this legislation. Obviously I am not.

I do not wish to retard the Senate's ability to act on that legislation. As I told both Cloakrooms earlier today, I would have been and I remain quite agreeable to a time limitation on the amendment that I intend to offer. I would also like to make very clear for the record what that amendment is all about and why I think it is important for the Senate to address it.

The fact of the matter is that the legislation, H.R. 555, deals quite directly with our service men and women in Desert Shield, and the legislation that I intend to offer is a sense-of-the-Senate resolution, which resolution also directly affects the welfare of some of the men and women serving in Desert Shield.

In sum and substance, what this sense-of-the-Senate resolution does is to request that the Defense Department make appropriate provision, if so requested by an appropriate service person, for preventing the assignment of two parents or a single parent of minor children, or a child, in the imminent danger or combat zone of the Operation Desert Storm theater and that we request that the Secretary, where such request is made, to arrange for the prompt and appropriate reassignment of one parent in the case of both parents in such an area, or single parents, to other military duties unless such reassignment would jeopardize the safety, mission, capability, or combat effectiveness of the unit so affected; and that would be a waiver we would expect him to be very cautious about.

It seems to me, Mr. President, that this issue should be considered on its merits. There may be Members of the Senate who disagree with the substance of this resolution. There may be Members who agree with it. But it is extremely pertinent to the health or

the welfare, the peace of mind, and, frankly, the well-being of Americans, both in Operation Desert Shield as well as those who are back here. And those who are back here are the young, the minor children of parents who may be up in the front lines in Operation Desert Shield.

Our Defense Department has done an absolutely marvelous job in two particular ways I would like to bring to the attention of the Senate. The first is that the Defense Department for the most part, has been rather thoughtful about how they might extend the so-called sole survivor and sole surviving parent regulation so that it is up to date. And we have those two regulations. The latter, the sole surviving parent, is in fact relatively recent.

But what we never really anticipated as we moved to a volunteer army was the possibility that both parents would be killed, or single parents in some cases—bona fide single parents—where the death of both, or one, would create another casualty. That casualty would be called an orphan.

Mr. President, there have already been casualties in this war on our side; fortunately not many of them. But we should try to limit, insofar as humanly possible, damage to little children who are American citizens, the same as their parents. And this issue deserves the urgent attention of the Senate and it deserves it with even greater urgency every passing day because, as we have been reminded with incredible frequency by all the commentators on radio and television, we are on the threshold—either now or some weeks in the future—of engaging in ground combat activities that will obviously increase the physical and mortal risks of our service men and women in the Persian Gulf. As a consequence, therefore, we have to recognize the urgency of this matter.

Second, we are facing in this combat theater weapons of war that this country, fortunately, has never had to face the possibility of before, the so-called nonconventional weapons: gas, possible biological warfare. These are weapons that do not simply explode, like a 2,000-pound bomb does, and create a crater 35 feet deep and a kill zone of hundreds of feet. The kill zones of biological and chemical weapons can be much, much larger. And it is not inconceivable that a missile coming down on an urban area, populated by a lot of U.S. service people, could do incredible damage and kill many hundreds, possibly even more, of people, including parents and single parents with dependents, young children, back here in this country.

So, Mr. President, it seems to me that there is an unusual situation that we face, as well as an urgent situation.

Finally, I said that there were two things that the Department of Defense and our military deserved commendation on. I mentioned the first, that they have up to a point attempted to be sensitive to this problem.

The second area of performance where they deserve commendation is that they have gone out of their way in the American air campaign to avoid bombing civilian targets and civilian populations in Iraq. Indeed, our military has taken considerable risks in avoiding those civilian targets. They have taken those risks because sometimes they have had to go in lower, tighter, closer to the antiaircraft fire to make sure that they did not hit a civilian area.

Sometimes, when in doubt, they have not released their ordnance and they have come back to base, thereby requiring additional missions on the same target, and sometimes they have not attacked a military target at all because to do so would jeopardize the lives of innocent Iraqi civilians.

I think those are commendable examples of our military going out of their way to spare harm to innocent civilians. But it does raise the question, Mr. President, of how, if we are going to such care to protect the lives of innocent Iraqi civilians, we would not want to take a few minutes here on the floor of the United States Senate to debate the issue of unnecessary sacrifice and harm to the lives of innocent children who are Americans in this country.

So this Senator hopes this will be an opportunity and an opportunity, if not tonight, tomorrow, to debate this, if not for hours, at least for half an hour, maybe an hour, as others see fit. I do not wish to foreclose debate, but I do not wish to filibuster any legislation either. That is why, Mr. President, I hope it will be possible for us to address this issue the way the Senate is supposed to, and that is by discussing it, by coming to a conclusion on it and moving on with the legislative business.

I understand that the sponsors of the legislation would like a clean bill. We have all been managers around here. We all like clean bills, but we also have to make a judgment as to whether that fits the mood, the will of the Senate and, most important, whether that is what the national interest demands.

I, obviously, had not planned to have to make these remarks in this way at this time. I know that the majority leader noted that I was within my rights to make objection to proceeding without this issue being considered, as we might take up H.R. 555. I thank him for being gracious in his usual fashion for doing so, but I did want to come over and complete the RECORD so that there would be no misapprehension left as to what the issue might be about and how it might be resolved.

Mr. MITCHELL. Mr. President, I wonder, if the Senator has completed his remarks on that subject, if I might make a comment on the subject of the Senator's amendment and the underlying legislation so that I can make clear what the status is and what my position is in that regard.

Mr. HEINZ. I will be happy to. I wanted to talk on the Export Administration Act, as well.

Mr. MITCHELL. I will not get into the Export Administration Act.

The PRESIDING OFFICER. Does the Senator yield?

Mr. HEINZ. If I might yield without losing my right to the floor.

Mr. MITCHELL. That is perfectly fine.

The PRESIDING OFFICER. The majority leader.

Mr. MITCHELL. So there can be no misunderstanding about the situation we find ourselves in and the causes and effects of that situation, the House passed H.R. 555 which amends the Soldiers' and Sailors' Relief Act. There are four principal provisions in the House legislation. The first would increase from $150 to $1,200 the maximum rental amount of a residence from which the family member of a service member cannot be evicted. That is protection from eviction for the family members of members in the Armed Forces.

The second provision provides that liability insurance for physicians and other professionals who are ordered to active duty would be suspended upon written request for the period of service and would be reinstated if requested within 30 days of discharge, and in the interim, no premiums could be charged. That is, obviously, protection for physicians who are called up and required to serve in the Persian Gulf.

The third would provide that a self-employed service member and his family must have their health insurance reinstated with no waiting period or exclusion of coverage in cases in which coverage would have been provided if the service member had not been called to active duty. The obvious reason for that is to protect men and women called into our Armed Forces against a loss of their health insurance when they would not have lost it had they not been called up.

And fourth and finally, the legislation expresses the intent of Congress that lenders, creditors, insurers, and others involved in financial transactions not take adverse action against a person in the military because that person in the military exercises the rights available under this law; again, an effort to protect the men and women now serving in our Armed Forces and their family members.

There is no opposition to this legislation. It passed the House. We got an understanding from the House that they would accept the Senate bill, S. 330, which differs in minor respects, and if we had been able to pass that bill today and get it back to the House before they adjourned, this would have been able to become law promptly.

That is what I wanted to do, and that is what I tried to do.

Under the rules of the Senate, of course, any Senator is free to offer an amendment any time he or she chooses. So we sought unanimous consent to permit us to move this bill without amendment so that we could get it done today and have it become law promptly. Acting within his rights, the Senator from Pennsylvania refused to give consent to that procedure. As far as I know, he is the only Senator who refused to give consent to that procedure. All other Senators agree so that we could pass this bill promptly.

The reason why the Senator objected, as he has just stated, is so that he could offer his amendment dealing with the children of American service men and women now in the Persian Gulf.

I will simply say that his amendment, unlike the underlying legislation, is not noncontroversial. The amendment of the Senator from Pennsylvania is very controversial. His amendment was not cleared for approval by either the Democratic side or the Republican side, and as the Senator knows, the Chairman of the Joint Chiefs of Staff, General Powell, has just today made a very strong statement in opposition to this provision and was joined in that opposition by the Secretary of Defense.

So we had a very important amendment to be offered by the Senator from Pennsylvania, but one which is controversial and on which there is not agreement among Democrats or Republicans. That meant that we could not get the agreement and pass the underlying bill.

There is not any point in proceeding at this point in time because the House has now, I understand, already gone and if we cannot pass this since we could not pass the bill prior to their departure, it would have to await final action upon our return.

Finally, even if the Senator's amendment were adopted, that would, of course, go back to the House where there is not agreement on his amendment.

Mr. HEINZ. And where there is no House.

Mr. MITCHELL. There is no House now.

Mr. HEINZ. It is Wednesday and they have taken a vacation.

Mr. MITCHELL. I will just say that the effect of this is that the Senator from Pennsylvania retains the right, of course, as he has and all Senators have, to offer his amendment to any legislation, including the underlying legislation. The unfortunate aspect of it, to which I commented earlier, is that we will not get to pass the changes in the Soldiers' and Sailors' Relief Act as promptly as otherwise might have been the case, even though those provisions are themselves not controversial, and I believe the Senator from Pennsylvania himself supports those provisions.

Mr. HEINZ. The Senator is absolutely correct.

Mr. MITCHELL. So that is the situation. We will proceed, as the distinguished Republican leader indicated, as soon as we can with a comprehensive legislative package, on which there are now task forces working on both sides, that will have provisions providing for family members of men and women now in the Armed Forces and include provisions not included in either the Senator's amendment or the underlying legislation.

In any event, that is the situation in which we find ourselves. For that reason, we will not be proceeding to this matter at this time. It is my hope that in the invervening period, we can work this out in a way that will be acceptable to the Senator from Pennsylvania and that will permit us to proceed promptly to the underlying legislation; that is, the proposed amendment to the Soldiers' and Sailors' Civil Relief Act.

I thank the Senator for his courtesy in permitting me to interrupt his remarks and comment on that matter.

Mr. HEINZ. Mr. President, I think I still have the floor.

I had not intended to get into an extended discussion with my friend, the majority leader, but I do want to make a couple of remarks in response to one thing he said. I have to at the outset clarify something that he probably thought he was right about. I understand why he thought he was right about it. He said there was opposition to this legislation voiced by Chief of Staff Powell and Dick Cheney, the Secretary of Defense.

There was opposition voiced to a bill which is very different than this sense-of-the-Senate resolution. The legislation that was specifically addressed by Senator HATCH was A, a bill; B, it referred to the fact that there was a prohibition on assignment of any single parent or both parents with young children to the Desert Shield theater. That is not what this legislation does. I just want that clear.

My sense-of-the-Senate resolution is quite different in that regard because it asks in sum and substance, first. Second, it asks the Defense Department to come up with a policy that will meet this test.

I understand why the majority leader felt this could have been the same legislation. I am not being critical of him in any respect in that regard.

(Mr. DASCHLE assumed the chair.)

Mr. MITCHELL. I thank the Senator. Might I inquire of the Senator, does the Secretary of Defense and Chairman of the Joint Chiefs of Staff support the Senator's resolution? Do they support it?

Mr. HEINZ. I do not know how they feel about the resolution. I am not here to say they support it. But I do not think that is what they were asked to address in our briefing from Senator HATCH'S question. But it is the same subject. It is the same subject.

Mr. MITCHELL. That is what I understand, right.

Mr. HEINZ. As the majority leader will note, the answer that General Powell gave to the question was quite interesting. He spent about 3 minutes explaining why the legislation was strongly opposed, and then he said that he did feel it was important for the Department to review their regulations because he did not want—and I quote him more or less exactly—"a married couple with children in the same foxhole," because he is very sensitive to the idea of both parents getting killed. Second, by making that comment, I think he grants the premise of my resolution, that DOD has not thought the problem all the way through.

That is really the point. The point of my resolution is to get them to think it through and to get them to think it through just as quickly as possible.

I understand their sensitivities, and I do not want to trample on our combat effectiveness, morale, or anything else, which is why the resolution that I offer may even be somewhat different from the one I circulated late last night or early this morning.

The majority leader is correct; it was not cleared for approval by either side. But I was not aware that one had to clear an amendment to have it offered on the floor of the Senate by anybody. I did not realize we had that procedure here, and, indeed, we do not.

If you want an amendment adopted by unanimous consent, it has to be cleared. But this Senator only asked for unanimous consent to offer an amendment, not to have it adopted, just debate it, which, as the majority leader did correctly point out, is a right and one that should not be abused, and I do not intend, I hope, to abuse it.

I do have something, though, to add, I hope, to what the majority leader said. The majority leader pointed out that this is very good, important legislation. We all support it. If there is going to be anybody who might be affected adversely by the amendments to the Soldiers' and Sailors' Relief Act represented here before us, I think there is a very simple and good way to fix that, and that is to stipulate in the legislation that its effective date is today and that the provisions are extended as of today, the day that it came up on the Senate floor.

Certainly there is ample precedent for having legislation with a date certain for its applicability, and I would suggest to any Senator who is concerned about the fact that this may not come up today, or tomorrow, or for some time, that is the way we ought to handle it, if that is a genuine concern.

Finally, the majority leader probably shares my frustration in this. It is 6 o'clock on a Wednesday. There is no national holiday on Thursday or Friday or even Saturday. For some reason, the House of Representatives has adjourned and gone home, on vacation.

If legislation is important, I do not think it is asking too much by the public to have both of the Nation's great deliberative bodies to stay in session until our work is done. But if everybody is going to knock off work either here or in the other body in the middle of the week at 6 o'clock and take a Thursday, Friday, Saturday, Sunday, and all of next week off, I have to question the priorities of the Congress as a whole.

That is probably a subject for another time, and it will probably raise hackles all over the body. I see the majority leader getting a little antsy, so I think I better talk about the Export Administration Act or I will be forced to yield to him again.

Mr. MITCHELL. I ask if the Senator will yield just briefly. I have been majority leader over 2 years and the Senator from Pennsylvania has never until this moment objected to a recess of the Senate, to my knowledge.

Mr. HEINZ. No; I voted against them.

Mr. MITCHELL. I thank my colleagues. I just want to say that no useful purpose is served in denigrating the other body. I think someone from the House could stand and point out that the Senate has more and longer recesses than the House does. I am sure they will not do it.

Mr. HEINZ. It is leadership, as I understand it, that schedules those recesses.

Mr. MITCHELL. I thank the Senator for his usual comments.

It is very unfortunate that we are unable to get this other bill passed. I understand the Senator's desire to have his amendment considered. He has every right to do that.

I understand the Chief of Staff's statement to be a rather strong endorsement of their current policy, but I think rather than any of us trying to characterize his remarks we would be better off asking him for his view on the Senator's resolution, which I think will be helpful to many Members of the Senate. I think it best to let his words speak for themselves on the particular resolution. I think the best way is to invite, as we ordinarily would, comment by the agency affected by the legislation, and we will do that and hope we have that and that will be guidance for all Senators, or at least information which all Senators can take into account as they consider this matter.

Mr. President, I yield the floor. I thank my colleague for his courtesy.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I have taken more time than I intended. It is not my intention, I want to say to my friend from Maryland, in particular, who has been most patient, to filibuster the Export Administration Act renewal.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

MOTION TO PROCEED

Mr. SARBANES. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the motion to proceed to Calendar No. 8, S. 320.

Mr. SARBANES. Mr. President, I rise in support of the motion to proceed, and I very much hope to go to S. 320 as promptly as possible. This legislation would reauthorize the Export Administration Act. It would also require the President to impose controls and sanctions on the proliferation of chemical and biological weapons and missile technology, and it imposes economic sanctions on Iraq.

The bill, S. 320, corresponds to the conference report which accompanied legislation which was passed unanimously in both Houses of Congress toward the end of the last session.

Despite this strong congressional support, and a letter from 79 Senators to the President urging that the legislation be signed, the President pocket vetoed the bill on the 16th of November.

And, Mr. President, I ask unanimous consent that additional members be added as cosponsors in a submission sent to the desk.

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

Mr. SARBANES. Mr. President, the bill was put back in in this session by the members of the Senate Banking Committee and the Senate Foreign Relations Committee who served as members of the conference committee in the last session, both Democrats and Republicans. We were in agreement on both sides of the aisle.

In doing this, in believing in the merits of this legislation—that was for the sake of the RECORD, Senators RIEGLE, GARN, PELL, HELMS, HEINZ, CRANSTON, and myself. They were the conferees from the Senate, from those two committees—the Senate Banking and Senate Foreign Relations—who conferenced this legislation in the last session.

Let me take just a moment to provide some background on how this legislation was developed, why the sponsors feel so strongly that it should be passed again, and that the President should sign it into law.

The Banking Committee has jurisdiction over the Export Administration Act which provides the President authority to control exports of high technology goods with possible military applications to Eastern Europe and the Soviet Union. That act expired last year—was due to expire and the Banking Committee had the responsibility to provide a reauthorization. We were trying to balance two very important concerns: One is promoting exports by American producers, and the other is precluding the export of high technology items with the possibility of use in terms of military application.

The dramatic developments that took place in Eastern Europe in 1990 had a particular impact on the reauthorization of this legislation, and made it a subject of significant national concern. I chaired the subcommittee in the Banking Committee which reviewed the operations of the export control regime. We held oversight hearings. We heard from witnesses from the administration, from the private sector, on this important issue.

While the committee was exercising this oversight, the international organization know as Cocom which overseas the implementation of export controls by the NATO countries and Japan undertook a review of the controls imposed by Western governments on Eastern Europe.

In June of last year, Cocom produced an agreement which significantly reduced export controls and represented significant change in the export control regime. The committee sought to work closely with the administration which, of course, was putting forward these proposed changes at Cocom, in developing legislation that would carefully balance the need of U.S. exporters to compete effectively in international markets and balance that with the genuine national security interests of the United States in controlling the export of high-technology goods with military application.

The bill that was reported out of the committee had a unanimous bipartisan support in the committee. It was in fact supported by the administration. During floor consideration of this legislation two major amendments were added to the bill—one an amendment by Senators HELMS and PELL. This was an area in which both had taken a keen interest and, in fact, in which Senator PELL has been involved for a number of years, a bill dealing with the proliferation of chemical and biological weapons, legislation which had in fact previously passed the Senate unanimously. And the second was an amendment by Senators MACK and GRAHAM which dealt with trade with Cuba by the foreign subsidiaries of United States companies.

The House, of course, produced its own legislation differing in significant respects from the Senate, and a conference committee was convened to reconcile the differences and engage in a lengthy complex, difficult, extended conference to resolve these differences.

During that work of the conference committee, extensive efforts were made to consult with the administration about its concerns, and particu-

larly about its concerns with respect both to the Export Administration Act as it passed the House about which they expressed considerable difficulties, and the chemical and biological weapons proliferation provision in the Senate bill.

I think it is the unanimous view of the conferees—certainly in the Senate and I believe in the House as well—that what was worked out between the two bodies in the conference represented a very positive and constructive contribution.

Unfortunately, once the legislation was passed, we heard these rumors of a Presidential veto counseled to him by his advisers because it did not give complete discretion—absolute, total, and complete discretion to the President to waive sanctions against countries that used chemical weapons or sanctions against foreign companies who knowingly and materially assist in the proliferation of chemical weapons.

It was at that point that 79 Senators, including both the majority and minority leader, sent a letter to the President urging him to sign the legislation.

The letter clearly stated the views of the Senator and pointed out that the sanctions provision of the chemical and biological weapons title are premised on Presidential discretion. We built some discretion into the legislation. What we did not do was give an absolute and total discretion, and, in fact, as was pointed out in the letter, the only use of discretion broader than what had been provided in the legislation would be to let a company selling chemical weapons or a country that uses chemical weapons against its people escape any punishment. The letter went on to say we reject the idea that there could ever be a diplomatic gain sufficient to justify such a waiver in those circumstances.

Mr. President, I ask unanimous consent that letter be printed in the RECORD at the conclusion of my statement.

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

(See exhibit 1.)

Mr. SARBANES. In addition to the overwhelming congressional support for the legislation, strong support was expressed by the business community.

On November 9 of last year, 16 chairmen of our leading companies, high technology companies, including IBM, AT&T, Intel, NRC, Apple Computer, and others sent a letter to the President urging him to sign the conference report into law.

In the past week, I have received letters from the presidents of the Computer and Business Equipment Manufacturers Association, the National Machine Tool Builders Association, and the American Electronics Association urging repassage of this legislation.

I ask unanimous consent that those letters be printed in the RECORD at the conclusion of my statement.

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

(See exhibit 2.)

Mr. SARBANES. Strong editorial support was also expressed for the legislation. I will quote from a Washington Post editorial of last November:

> Instead, some of the President's advisers are pressing for a veto on the grounds that the bill imposes sanctions that would be mandatory. The administration's lawyers argue that the Ameircan response to the use of these weapons ought to be left up to Presidential discretion. The bill, they claim, is an infringement on the President's constitutional power to conduct foreign policy.
>
> That's gross exaggeration. The bill says that if the country uses these weapons, the United States will impose on it a range of penalties affecting its economic and political relations with this country. After a year, the President could lift those penalties. Similarly, if a foreign country helps certain countries build these weapons * * * the company's products will be banned from the American market. Again, after a year, the President could lift the ban. It's absurd to describe that as interference with the President's control of foreign policy.

Mr. President, I ask unanimous consent that the Washington Post editorial, as well as an editorial from the New York Times of last October 25, which also urged the President to sign the conference report, be printed in the RECORD at the conclusion of my statement.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 3.)

Mr. SARBANES. Despite the urgings in the letter from 79 Members of this body, the urgings of the business community, and the urgings of some of our Nation's leading newspapers, the legislation was pocket vetoed. In the memorandum of disapproval accompanying the pocket veto, the President, asserted that mandatory sanctions unduly interfere with his constitutional responsibilities for carrying out foreign policy.

Mr. President, I submit that this is a very questionable argument. Among the powers specifically given to the Congress under the Constitution is the power to "regulate commerce with foreign nations." In the past, the Congress has used this authority to simply cut overall aid or trade with a particular country, simply to cut it off. We did not do that in this legislation, but that power to regulate commerce with foreign nations has been used in other instances simply to cut off trade.

In a number of cases, Congress has given the administration a role in deciding whether to impose or lift sanctions. And in several of these statutory regimes previously enacted, the President actually has much less discretion to waive the imposition of sanctions than was given to him in the conference report or in the legislation, which has now been introduced.

For exmple, under the so-called Toshiba provision of the Omnibus Trade and Competitiveness Acts of 1988 where the President makes a determination that a foreign company has violated the CocOM agreement, and that this has adversely affected the strategic balance of force, he is required to impose import and procurement sanctions on the company for at least 2 years. Similar sanctions were also specifically imposed on the Toshiba and Kongsberg companies by the 1988 act without any requirement of a Presidential determination at all. The point, simply put, is that the sanctions required under the chemical and biological weapons title of the conference report contained in S. 320 are entirely consistent with past actions of the Congress and, in fact, give the President broader discretion than in some of the previous laws.

Finally, I want to point out that the President has issued an Executive order under the authority of the International Emergency Economic Powers Act, known as IEEPA, implementing certain portions of the chemical and biological weapons provisions of the conference report. He announced he would continue export control enforcement under IEEPA authority and would direct executive agencies to implement some of the export control reforms contained in the conference report.

I submit, Mr. President, that this sort of executive action cannot substitute for legislation. First of all, the executive actions fall far short of implementing the policy changes contained in the legislation.

Second, it is fundamentally inappropriate for the President to use a broad emergency power granted by the Congress to the President under IEEPA for emergency purposes, for the routine purpose of carrying out the administration of an export controls or chemical weapons antiproliferation policy.

Third, the private sector feels itself in some, if not jeopardy, certainly unease or ambivalence, since it does not have a statutory scheme to which it is relating as it carried forward its business, but finds itself solely within an executive regulatory framework which, of course, can be changed on them at any point and does not have the permanency and solidity which the enactment of legislation would provide.

Mr. President, I submit that S. 320, the Omnibus Export Amendments Act of 1991, is a carefully considered and balanced effort to address two of the most important issues confronting the United States—the proliferation of chemical and biological weapons, and the export control regime on high technology trade with the Eastern bloc. This is important legislation. It is im-

portant for the economic future of the country. It has been singled out by the business community as a major item on their agenda. This is important legislation for weapons proliferation, and I very much hope we will be able to proceed to it, take it up promptly, and proceed to enact it and place it on the Nation's statute books.

I underscore, Mr. President, the extended effort which went into formulating this legislation. It bridged a number of committees; there were jurisdictional questions and substantive differences between the Senate- and House-passed bill. The administration's concerns were kept very much in mind and addressed and, in many and most instances, I think, successfully. I regret very much the pocket veto, but I hope we will be able to move forward and consider this legislation and pass it so that we may address these pressing problems.

Mr. President, I yield the floor.

EXHIBIT 1

U.S. SENATE, COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC, October 27, 1990.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: The Congress has enacted H.R. 4653, the Omnibus Export Amendments Act of 1990. The legislation makes important changes in our export control policies to reflect rapid political change in Eastern Europe, the growing challenge of chemical and missile proliferation, and the crisis in the Persian Gulf.

In preparing this legislation, the Congress worked closely with the Administration to ensure that changes in export control policy were consistent with U.S policy in CoCom. We labored to ensure that the new nonproliferation regimes created in law would be workable and effective, relying primarily on current multilateral mechanisms but using economic sanctions as a last resort. We made the Iraq sanctions title of the bill a strong statement of support for your policy in the Gulf.

Despite our efforts, we now understand that some of your advisors are recommending a veto of the bill because of what they see as excessively limited Presidential discretion to waive sanctions in the chemical and biological weapons title of the bill. This is a very abstract judgement about Presidential discretion in foreign affairs. The real issue here, however, is how to respond effectively to the scourge of chemical weapons.

The sanctions provision of the CBW title are premised on Presidential discretion. The President must make the determination that a foreign company has knowingly assisted proliferation and not been punished, or that a country has actually used chemical weapons. Once a determination is made, sanctions must be imposed for one year following which there is Presidential discretion to waive sanctions in the national security interest or if remedial action is taken. This is not unfettered discretion but it is certainly discretion as broad as that covering EAA sanctions in current law.

The only use of discretion broader than this would be to let a company selling chemical weapons or a country that uses chemical weapons against its people escape any punishment. We reject the idea that there could ever be a diplomatic gain sufficient to justify a waiver in these circumstances.

You have made eradication of chemical weapons a national priority and you urged that Congress to pass sanctions legislation. We have answered that call and believe a veto on these narrow grounds would be contrary to our shared commitment to eliminate chemical weapons. It is our intention to see tough sanctions enacted, if necessary by pursuing legislation in the 102d Congress. For all these reasons, we urge you to sign this legislation.

Sincerely,

Paul Sarbanes, Don Riegle, Pete V. Domenici, Jesse Helms, Connie Mack, Orrin Hatch, Jake Garn, Alfonse D'Amato, Slade Gorton, John Heinz, Kit Bond, Arlen Specter, Lloyd Bentsen, Barbara A. Mikulski, Dennis DeConcini, John Breaux, Alan Cranston, David Pryor, David K. Inouye, Frank R. Lautenberg, Terry Sanford, Richard Bryan, Paul Simon, Ernest F. Hollings, Alan J. Dixon, John F. Kerry, Claiborne Pell, Bob Kerrey, Wendell Ford, J. Bennett Johnston, Bob Graham, Herbert Kohl, Jim Daschle, Albert Gore, Jr., Christopher J. Dodd, John D. Rockefeller IV, Dale Bumper, Kent Conrad, Charles Robb, Jeff Bingaman, John Glenn.

Patrick Leahy, Max Breaux, Brock Adams, Howard M. Metzenbaum, Jim Sasser, Sam Nunn, Quentin Burdick, J.J. Exon, Harry Reid, Edward Kennedy, Timothy E. Wirth, Carl Levin, Joe Biden, Joe Lieberman, Frank H. Murkowski, Jim McClure, Thad Cochran, Bob Dole, George Mitchell, Alan K. Simpson, Chuck Grassley, Nancy Landon Kassebaum, Steve Symms, Daniel P. Moynihan, Warren B. Rudman, John McCain, John Warner, Tom Harkin, Richard Shelby, Pete Wilson, Bob Kasten, Bill Bradley, Dave Durenberger, Mark Hatfield, Malcolm Wallop, Wyche Fowler, Jr., Bill Cohen, John Chafee.

EXHIBIT 2

COMPUTER AND BUSINESS EQUIPMENT MANUFACTURERS ASSOCIATION,
Washington, DC, January 29, 1991.

Hon. PAUL S. SARBANES,
Chairman, International Finance and Monetary Policy Subcommittee, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the Computer and Business Equipment Manufacturers Association (CBEMA), I am writing to thank you for your efforts to reauthorize the Export Administration Act.

Like you, we were disappointed that the President did not sign the legislation sent to him in late 1990. However, we do believe the actions he promised to take in his November 16 memo of disapproval will result in some sound improvements to the export control system, although much remains to be done. Your work in bringing about these changes is greatly appreciated.

In addition, while we were encouraged by the actions of the White House, we do believe it is essential that Congress renew the statutory basis for the export control system. We continue to support the measured and thoughtful reforms contained in H.R. 4653, legislation to reauthorize the Export Administration Act and urge its readoption in the new Congress. Put simply, we believe that the export control reforms in H.R. 4653 make good sense.

Again, your work on this issue is very much appreciated. We look forward to working with you in the 102nd Congress.

Sincerely,

JOHN L. PICKITT,
President.

AMERICAN ELECTRONICS ASSOCIATION,
Washington, DC, February 6, 1991.

Hon. PAUL SARBANES,
U.S. Senate, Washington, DC.

DEAR SENATOR: We understand that the Senate is prepared to act on the S. 320, which would reauthorize the Export Administration Act (EAA). AEA worked closely with the House and Senate on this issue and we appreciate the hard work that went into the conference report.

Even though we were disappointed that the President did not sign the legislation sent to him in late 1990, we believe his commitment to address several issues outlined in his memorandum of disapproval will result in sound improvements in the system, if implemented in an effective and timely manner.

Nonetheless, we do believe it is essential that Congress renew the statutory basis for the export control system. We continue to support the limited and focused reforms contained in the conference report, H.R. 4653 (Please see attached for our previous positions).

When S. 320 is brought to the floor for a vote, we encourage you to resist amendments that would serve to undermine the conference report. In fact, should there be substantial floor action, we would support you in withdrawing the bill.

Sincerely,

J. RICHARD IVERSON,
President and CEO.

AMERICAN ELECTRONICS ASSOCIATION,
Washington, DC, November 9, 1990.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: We the undersigned CEOs are writing to recommend that you sign into law the Omnibus Export Amendments Act of 1990, H.R. 4653. The legislation amends the Export Administration Act to reflect European unification, the significant changes in Eastern Europe and the rapid advancement of technology.

While the bill is not perfect, it will allow the U.S. electronics and telecommunications companies to have a level playing field with our European and Japanese competitors. In particular, exports represent a significant source of revenue for our companies and it is imperative that we be able to export on par with our competitors. Furthermore, the majority of our trade is with U.S. allied nations and the Export Amendments Act will allow us increased flexibility in trading with these partners. Finally, our companies fuel the nation's economic growth. Enhancing our ability to export will strengthen the U.S. economy.

Mr. President, we urge you to sign H.R. 4653 into law.

Sincerely,

John F. Akers, Chairman, International Business Machines Corporation; Robert E. Allen, Chairman of the Board and CEO, AT&T; Richard Ashcroft, President, International Imaging Systems; Joseph R. Canion, President and CEO, Compaq Computer Corporation; W.P. Conlin, President, CalComp; Charles E. Exley, Jr., Chairman and CEO, NCR; Joe Finney, President and CEO, International Converter; John C. Lewis,

Chairman and CEO, Amdahl Corporation; Gordon E. Moore, Chairman of the Board Intel.

Scott G. McNealy, President and CEO, Sun Microsystems, Inc.; Craig J. Mundie, President and COO, Alliant Computer Systems Corporation; Safi U. Qureshey, President, CEO and Co-Chairman, AST Research, Inc., John A. Rollwagen, Chairman and CEO, Cray Research Inc.; Robert Saldich, President and CEO, Raychem Corporation, John Sculley, Chairman, President and CEO, Apple Computer, Inc.; Bob Stephens, President and CEO, Emulex Corporation; J. Richard Iverson, President and CEO, American Electronics Association.

THE ASSOCIATION FOR MANUFACTURING TECHNOLOGY,
McLean, VA, January 24, 1991.

Hon. PAUL S. SARBANES,
Chairman, Subcommittee on International Finance and Monetary Policy, Senate Banking, Housing and Urban Affairs Committee, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: As you know, NMTBA—The Association For Manufacturing Technology supported passage of the Conference Report on H.R. 4653, the Omnibus Export Administration Act of 1990. While it was not all that we hoped it would be, we felt that it went a long way towards solving a number of the problems that have plagued American exporters in general, and the machine tool industry in particular, in recent years.

Unfortunately, on November 16, 1990, the President saw fit to veto this bill, deciding instead to enforce export controls through the authority granted in the International Emergency Economic Powers Act.

We believe this decision was ill-advised. While the bill did not achieve all of our objectives, last year's Omnibus Export Administration Act contained many badly needed reforms that had been hammered out during long hours of legislative bargaining. We believe it would be unnecessary, and, indeed, counterproductive to start again from scratch in 1991. Thus, we urge you to resubmit the very same bill, H.R. 4653, in the 102nd Congress and work towards its passage. Let me assure you, Mr. Chairman, you can count on the support of NMTBA—The Association for Manufacturing Technology in that important effort.

With warm regards,

Sincerely,

ALBERT W. MOORE,
President.

EXHIBIT 3

[From the Washington Post, Nov. 4, 1990]

CHEMICAL WEAPONS

President Bush is getting bad advice from the lawyers who want him to veto the bill on chemical and biological weapons. It's time to tighten the rules against countries that use these foul devices and the manufacturing companies that help them to do it. With very few exceptions—Iraq is the most notorious—the world is now moving to rid itself of these weapons. The United States ought to be leading that movement.

Instead, some of the president's advisers are pressing for a veto on grounds that the bill imposes sanctions that would be mandatory. The administration's lawyers argue that the American response to the use of these weapons ought to be left up to presidential discretion. The bill, they claim, is an infringement on the president's constitutional power to conduct foreign policy.

That's a gross exaggeration. The bill says that if a country uses these weapons, the United States will impose on it a range of penalties affecting its economic and political relations with this country. After a year, the president could lift those penalties. Similarly, if a foreign company helps certain countries build these weapons—countries that have used them recently, or are preparing to use them or are on the list of havens for terrorists—that company's products will be banned from the American market. Again, after a year, the president could lift the ban. It's absurd to describe that as interference with the president's control of foreign policy.

This legislation is a response not only to Iraq's use of gas but to the revelations that a number of European companies, particularly in Germany, helped Iraq and Libya build factories to produce gas. The German government also has reacted, tightening its restriction of suspect exports and sharply increasing the penalties for violating them. International cooperation to discourage these weapons is improving. A veto of the bill would suggest to all the wrong people that the United States was losing interest in the subject.

The breadth of congressional support for this bill is impressive. It passed the senate 92 to 0, and 79 senators have now publicly urged him to sign it. But the president's lawyers are telling him that the next time an army uses poison gas, he might find it expedient to overlook the incident—as President Reagan overlooked the Iraqi use of gas, first on Iranian troops and then on Kurds who were Iraq's own people. In this bill Congress is saying that it doesn't want poison gas or biological warfare overlooked. That's what this quarrel is about, and this time Congress is right.

[From the New York Times, Oct. 25, 1990]

STANDING ON CEREMONY ON POISON GAS

For years the United States did nothing while Saddam Hussein used chemical weapons, first in his war with Iran and then against Iraq's Kurdish citizens. Now U.S. troops face a chemically armed Iraq in the desert and Congress is about to vote to impose mandatory sanctions on countries that produce, acquire or use chemical weapons. How can President Bush, of all people, be threatening to veto the bill?

Mr. Bush has pledged to rid the world of the scourge of chemical weapons. And he's negotiating a global treaty to do just that. But Secretary of State Baker says mandatory sanctions limit the President's discretion. What a bizarre time to stand on ceremony. Congress is right to enact the legislation, and the President would be wrong to veto it.

Sanctions legislation has long bogged down in jurisdictional disputes between committees of Congress. Finally a House-Senate conference has agreed to appropriately tough sanctions in the Export Administration Act.

The act bars foreign companies that help countries develop chemical weapons from selling goods in the United States. Further, once the President determines that a country has used chemical or biological weapons, he must apply sanctions. The list of sanctions includes a cutoff of foreign and military aid, export and import restrictions and suspension of U.S. arms sales.

Mr. Baker says the bill limits administrative flexibility to impose or waive sanctions. But the President could waive sanctions after a year if he determined that was important for national security. In the meantime, mandatory sanctions would send a strong message that the U.S. is serious about curbing the spread of chemical weapons. This is a very good time to send such a message, and a very good cause to get serious about.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. The Senator from Maryland has well described the great effort that went into this bill here and in conference. The Senate is on record 92 to 0 in support of the original Senate bill. I hope that we can have bipartisan support to enact this legislation soon.

If this legislation had been on the books several years ago, Saddam Hussein would have faced certain sanctions for the use of chemical weapons, and he might have been deterred. Moreover, the companies that helped him would have been sanctioned themselves.

Unfortunately, the previous administration did essentially nothing when Saddam Hussein gassed Iranian troops and gassed his own citizens.

We know now the Congress was right in wanting to act in 1988, when the administration would not. We cannot change that mistake now, but we certainly can avoid repeating it.

It is imperative that we act to prevent anything like the problem with Iraq's chemical and biological weapons from recurring again anywhere in the world.

I yield the floor.

Mr. ADAMS. Mr. President, in the closing days of the last session, Congress overwhelmingly passed the conference report on the Omnibus Export Amendments Act, a bill to reauthorize and reform the Export Administration Act [EAA]. Unfortunately, in November, the President pocket-vetoed the conference report. As a result, the Congress must reintroduce and pass yet again this important piece of legislation.

The EAA is the President's basic authority to control exports for national security and foreign policy purposes, and affects the jobs and future of more than 160,000 Washingtonians employed in the State's 600-plus exporting companies in aerospace, high technology, and related sectors.

Since the late 1940's, the United States has imposed export restrictions on hundreds of thousands of items. Export controls serve to protect our national security interests, but they can also cripple an American company's ability to compete against Japanese, French, and other foreign firms in third country markets. The reforms contained in this legislation are vital to the competitiveness of Washington State and other exporters in world markets.

I supported the EAA conference report because it would have drastically cut the bureaucratic redtape that has cost exporters in my State, such as

John Fluke, Boeing, Hewlett-Packard, and Seagate, millions of dollars in lost sales. I supported the conference report because it also responded to the need to focus controls more on the threat posed by the North-South proliferation of chemical and biological weapons and less on outdated, cold-war-era East-West technology controls. Despite the best efforts of the Congress to work with the administration to modernize our export control process, the President in the end opted to pocket-veto the measure over one provision. This section requires that sanctions be imposed against a country if the President determines that the government of that country has used chemical or biological weapons against its own people or in violation of international law. As our men and women now face the very real threat of Iraqi chemical weapons, it is inconceivable that the President would single out this particular provision as objectionable.

The United States no longer enjoys technological preeminence or unquestioned leadership in the global economy. Our allies now challenge us in 55 percent of the 22 technologies identified by the Defense Department as most critical to our economic security. We can no longer dictate the rules of technology transfer at Cocom, the allies' multilateral export control coordinating committee. Yet, the Bush administration, like its predecessor, continues to insist on placing cold-war-era constraints on American companies. American exporters simply cannot compete in the world economy of the 1990's with an export control regime that belongs to the 1950's.

The administration's proposal to the high-level Cocom meeting last June in Paris was, at best, a modest step on the path of bringing the export control regime into the 21st century. However, the administration's resistance to liberalization of controls beyond those contained in its proposal of last June made it incumbent upon Congress to chart a new course for our export control policy. Accordingly, it is even more critical to reintroduce the conference report on the Export Administration Act, so that American exporters can better compete in today's world market.

The EAA legislation provides for a number of important reforms in the United States and Cocom export controls. The bill creates a license-free zone for shipments to and from Cocom countries. It eases restrictions on telecommunications exports to Poland, Hungary, and Czechoslovakia. It shortens licensing times for items subject to national discretion and favorable consideration review. It prohibits dual controls on items which may have both a munitions and commercial purpose. It enables companies to obtain judicial review of certain licensing decisions. And it restricts the additional requirements that may be imposed on exporters of supercomputers.

The Banking and Foreign Relations Committees worked diligently throughout 1990 on this bill. It passed the Senate last summer by voice vote, and I and 78 other Senators subsequently wrote to the President urging him to sign the measure into law. Enactment of this legislation is extremely important to the high technology, aerospace, and related industries, and workers of Washington, and I strongly urge my colleagues to support this bill.

Mr. KERRY. Mr. President, I rise in support of the conference report reauthorizing the Export Administration Act. This legislation, already debated in both bodies during last session's passage, is vital to the health of our Nation's economy. By making it easier for companies to export, and not endangering national security, this bill is one important way that the Federal Government can help to lift us out of recession. I would hope that the President recognizes this and will sign the bill instead of vetoing it like he did the last time that it was was sent to his desk.

I would like to thank the subcommittee chairman for having worked to accommodate my input to the bill and I would like to thank the conferees in both the House and Senate for working so hard to fashion a compromise that can be passed in both Chambers. I believe that in the process we have built on the legislation originally passed in the Senate and have produced an even stronger bill. The reauthorization of the Export Administration Act will help this country's businesses to sell more abroad while protecting national security at the same time.

Recently, I cohosted a conference in Massachusetts on revitalizing the State's economy. One of the themes that emerged from the conference was the importance of exports to our economy. At several times during the conference, businessmen argued that exports make up a significant percentage of the sales of Massachusetts firms. Therefore, it was repeatedly urged that the government, at both the State and the Federal level, take measures to assist firms in exporting. First and foremost among actions that the Federal Government can take to assist exporters, they said, is streamlining the export control regime.

In 6 years of representing Massachusetts, a State with a large high technology base, I have learned of the importance of exports and have witnessed the pervasive effects of the Nation's export licensing regime. Massachusetts has lost substantial sales and jobs as a result of an export control system that frankly was no longer appropriate. By our estimates, the export licensing system in 1985, the latest year for which we could get available data, cost Massachusetts between $250 million and $1 billion in lost sales and between 6,000 and 24,000 jobs. These estimates do not even include the resulting lost GNP nor the immeasurable impact of lost market position, underdesign of products, and wasted management time.

In today's environment of warming East-West relations, growing commercial competition, and spreading technological capability, an export control regime that continues to impose unilateral controls on a wide array of products just makes no sense. And an export control regime that subjects our firms to inexcusable delays makes even less sense. The average time it takes to process licenses in the United States was 114 days while in West Germany it was 14 days and in Japan it was only 4 days. This fact alone goes far to explain the problems that some of our firms have in exporting.

The conference report that we are debating today will do much to improve the current situation. While we may differ on some of the details, we have come together to produce a strong bipartisan bill that I am hopeful that the President will sign.

I am particularly please that several parts of the Export Authorization Act that I introduced in June were incorporated in the conference report. I believe that these provisions go a long way toward creating a more appropriate export control system. In particular:

First, a Cocom licence-free zone will be created by no later than December 31, 1991. This zone will exclude re-exports of products with 25 percent or less U.S. content. This will eliminate approximately 30,000 licenses per year. And these 30,000 license applicants were essentially meaningless given the fact that less than 10 of them will be rejected.

Second, an automatic indexing procedure will be used by the Secretary of Commerce in determining the level of decontrolled exports.

Third, trade with Eastern Europe will be decontrolled for all products except telecommunications and computers. And for these products, and others, subject to national discretion and favorable consideration, shorter time limits will be set by which the administration must review each license.

Fourth, technical operating data that accompanies a product will not require separate licensing.

Businesses should understand how important this bill is for generating jobs and income for Massachusetts. This is one critical area in which Federal policy can make a difference for the local economy.

I believe that we in Congress should continue to rethink our export control regime. While the current legislation will make a difference for Massachusetts and U.S. businesses, I have always advocated that going even further to

reform the system would be appropriate and could produce substantially higher economic benefits for our firms. The legislation that I introduced last June would have done just that. And, so would the original House bill that I fought to use as a basis for the Senate bill.

So, Mr. President, I am pleased that we will pass this vital legislation for the economic health of the families of my State and the businesses on which their well-being depends. I only hope that the President will finally sign the bill into law.

I will look forward to participating in the reauthorization process in future years. As the relations between the superpowers continue to improve and as economic competitiveness continues to be critical for the well-being of our working families, I will be looking for every chance that I get to further reform the export control regime.

I will also continue to be active in developing other legislation to assist exporters. With the dollar relatively weak in value and with the economies of other industrialized nations, like Japan and Germany, strong, our companies have a chance to significantly grow exports. We should be doing everything we can to help our companies take advantage of this opportunity from increasing the size and scope of the Export-Import Bank to ensuring fair market access exists in all our trading partners.

The potential for export expansion is enormous. According to C. Fred Bergsten, "85 percent of all American exports are still accounted for by only 15 percent of U.S. companies." I intend to do everything that I can to ensure that we realize this potential. The proposed reform of the export control regime is badly needed. It is only a first step, however, and needs to be followed up by further reform and additional measures. I will continue to work on getting these next steps taken.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 385 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

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

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

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.)

ANNUAL REPORT ON ADMINISTRATION OF THE FEDERAL RAILROAD SAFETY ACT—MESSAGE FROM THE PRESIDENT—PM 13

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

I transmit herewith the 1989 annual report on the Administration of the Federal Railroad Safety Act of 1970, pursuant to section 211 of the Act (45 U.S.C. 440(a)).

GEORGE BUSH.

THE WHITE HOUSE, *February 6, 1991.*

ACTIVITIES UNDER THE ENERGY SECURITY ACT—MESSAGE FROM THE PRESIDENT—PM 14

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

I transmit herewith the annual report describing the activities of the Federal Government for fiscal year 1989 required by subtitle H, title V of the Energy Security Act (Public Law 96-264; 42 U.S.C. 8286 *et seq.*). These activities include the development of energy conservation and efficiency standards for new commercial and multifamily highrise buildings and for new residential buildings.

GEORGE BUSH.

THE WHITE HOUSE, *February 6, 1991.*

ANNUAL REPORT OF THE FEDERAL LABOR RELATIONS AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 15

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with section 701 of the Civil Service Reform Act of 1978 (Public Law 95-454; 5 U.S.C. 7104(e)), I have the pleasure of transmitting to you the Eleventh Annual Report of the Federal Labor Relations Authority for Fiscal Year 1989.

The report includes information on the cases heard and decisions rendered by the Federal Labor Relations Authority, the General Counsel of the Authority, and the Federal Service Impasses Panel.

GEORGE BUSH.

THE WHITE HOUSE, *February 6, 1991.*

ANNUAL REPORTS OF THE FEDERAL PREVAILING RATE ADVISORY COMMITTEE—MESSAGE FROM THE PRESIDENT—PM 16

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying reports; which were referred to the Committee on Governmental Affairs:

To the Congress of the United States:

In accordance with section 5347(e) of title 5 of the United States Code, I transmit herewith the 1988 and 1989 annual reports of the Federal Prevailing Rate Advisory Committee.

GEORGE BUSH.

THE WHITE HOUSE, *February 6, 1991.*

MESSAGES FROM THE HOUSE

At 5:31 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 resolution, in which it requests the concurrence of the Senate:

H.J. Res. 30. Joint resolution to designate February 7, 1991, as "National Girls and Women in Sports Day."

The message also announced that pursuant to the provisions of 2 U.S.C. 473(a), the Speaker appoints to the Technology Assessment Board the following Members of the House: Mr. UDALL, Mr. BROWN, Mr. DINGELL, Mr. MILLER of Ohio, Mr. SUNDQUIST, and Mr. HOUGHTON.

The message further announced that pursuant to the provisions of sections 801(b) (6) and (8) of Public Law 100-696, the Speaker appoints the following Members of the House to the U.S. Capitol Preservation Commission: Mr. BENNETT and Mr. FAZIO.

The message also announced that pursuant to section 801(b) (6) and (8) of Public Law 100-696, the minority leader appoints Mr. LEWIS of California as a member of the U.S. Capitol Preservation Commission on the part of the House.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. Res. 49. A resolution authorizing expenditures by the Committee on Banking, Housing, and Urban Affairs, referred to the Committee on Rules and Administration.

By Mr. BUMPERS, from the Committee on Small Business, without amendment:

S. Res. 52. An original resolution authorizing expenditures by the Committee on Small Business; referred to the Committee on Rules and Administration.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources:

Lynn Martin, of Illinois, to be Secretary of Labor.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BUMPERS (for himself, Mr. KASTEN, Mr. NUNN, Mr. DIXON, Mr. LIEBERMAN, Mr. GRASSLEY, Mr. HARKIN, Mr. KERRY, Ms. MIKULSKI, Mr. BAUCUS, and Mr. SASSER):

S. 360. A bill to authorize the Small Business Administration to provide financial and business development assistance to military reservists' small businesses, and for other purposes; to the Committee on Small Business.

By Mr. HELMS:

S. 361. A bill to amend the Soldiers' and Sailors' Civil Relief Act of 1940 and title 38, United States Code, to improve veterans rights to reinstatement of health insurance; to the Committee on Veterans Affairs.

By Mr. SHELBY:

S. 362. A bill to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabama; to the Select Committee on Indian Affairs.

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 363. A bill to authorize the addition of 15 acres to Morristown National Historical Park; to the Committee on Energy and Natural Resources.

By Mr. LIEBERMAN:

S. 364. A bill to provide assistance to business and education partnerships for the reform of education and training to revitalize the Nation's economy and improve the Nation's competitive position; to the Committee on Labor and Human Resources.

By Mr. ROTH:

S. 365. A bill to amend the Internal Revenue Code of 1986 to require reporting of group health plan information on W-2 forms; to the Committee on Finance.

By Mr. KOHL (for himself and Mr. KASTEN):

S. 366. A bill to designate the United States Courthouse located at 120 North Henry Street in Madison, Wisconsin, as the "Robert W. Kastenmeier United States Courthouse;" to the Committee on Environment and Public Works.

By Mr. METZENBAUM (for himself, Mr. HATCH, Mr. KENNEDY, Mrs. KASSEBAUM, Mr. PELL, Mr. ADAMS, Mr. SIMON, Ms. MIKULSKI, and Mr. BINGAMAN):

S. 367. A bill to amend the Job Training Partnership Act to encourage a broader range of training and job placement for women, and for other purposes; to the committee on Labor and Human Resources.

By Mr. SARBANES (for himself, Mr. ROBB, Mr. WARNER, and Ms. MIKULSKI):

S. 368. A bill to prohibit the opening and closing of the Woodrow Wilson Memorial Bridge except during certain hours; to the Committee on Commerce, Science, and Transportation.

By Mr. WARNER (for himself and Mr. SARBANES):

S. 369. A bill to amend title 23, United States Code, to establish a program for expanding the capacity of heavily traveled portions of the National System of Interstate and Defense Highways located in urbanized areas with a population of 50,000 or more for the purposes of reducing traffic congestion, improving safety, and increasing the efficiency of the System; to the Committee on Environment and Public Works.

By Mr. ROTH:

S. 370. A bill to prohibit revenue recovery firms and certain auditors from receiving compensation on a percentage of findings basis, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. CHAFEE (for himself and Mr. PELL):

S. 371. A bill to extend the time for payment of certain taxes under the internal revenue laws for taxpayers in States in which one-third or more of the depository institutions have been simultaneously closed for a period of at least 5 days; to the Committee on Finance.

S. 372. A bill to authorize the Secretary of the Treasury to establish an emergency loan assistance program to provide financial assistance to States that have experienced a large number of financial institution failures; to the Committee on Banking, Housing, and Urban Affairs.

S. 373. A bill to amend the Internal Revenue Code of 1986 to allow the issuance of depositor protection tax-exempt bonds; to the Committee on Finance.

By Mr. COHEN (for himself and Mr. MITCHELL):

S. 374 A bill to settle all claims of the Aroostook Band of Micmacs resulting from the Band's omission from the Maine Indian Claims Settlement Act of 1980, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. GORTON:

S. 375. A bill to authorize the Secretary of Agriculture to construct buildings and related facilities on federally owned land in Skagit County, Washington for plant materials purposes; to the Committee on Agriculture, Nutrition, and Forestry.

S. 376. A bill to convey certain property to Sunnyside Valley Irrigation District; to the Committee on Energy and Natural Resources.

By Mrs. KASSEBAUM (for herself and Mr. DOLE):

S. 377. A bill to amend the International Air Transportation Competition Act of 1979; to the Committee on Commerce, Science, and Transportation.

By Mrs. KASSEBAUM:

S. 378. A bill to amend the Foreign Assistance Act of 1961 to improve management of economic assistance, and for other purposes; to the Committee on Foreign Relations.

By Mr. KENNEDY (for himself and Mr. HATCH):

S. 379. A bill to make certain technical amendments to the National and Community Service Act, and for other purposes; considered and passed.

By Mr. WIRTH:

S. 380. A bill to amend the Federal securities laws regarding securities registration and administration with respect to banks and savings associations, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. WALLOP:

S. 381. A bill to amend the Internal Revenue Code of 1986 to promote economic growth and jobs creation by reducing social security taxes and capital gains taxes, by adjusting the deduction for depreciation to reflect inflation, and by encouraging savings; to the Committee on Finance.

By Mr. SANFORD:

S. 382. A bill to provide shelter, food, and supportive services to communities in which substantial percentages of resident members of the Armed Forces have been assigned to duty outside the communities in connection with the Persian Gulf conflict, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. McCAIN (for himself, Mr. INOUYE, Mr. DOMENICI, Mr. BURDICK, Mr. GORTON, Mr. SIMON, Mr. MURKOWSKI, Mr. COCHRAN, and Mr. CONRAD):

S. 383. A bill to provide tax incentives for the establishment of tax enterprise zones on Indian reservations, and for other purposes; to the Committee on Finance.

By Mr. McCAIN (for himself and Mr. GLENN):

S. 384. A bill to delay the effective date of reductions in the CHAMPUS mental health benefit, and for other purposes; to the Committee on Armed Services.

By Mr. AKAKA:

S. 385. A bill to amend section 21A of the Federal Home Loan Bank Act to establish additional procedures and requirements relating to the identification and disposition of environmentally sensitive land and other property with natural, cultural, recreational, or scientific values of special significance by the Resolution Trust Corporation; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DECONCINI (for himself, Mr. CRANSTON, Mr. ROCKEFELLER, Mr. GRAHAM, Mr. AKAKA, Mr. THURMOND, and Ms. MIKULSKI):

S. 386. A bill to amend title 38, United States Code, to define the period of the Persian Gulf War, to extend eligibility for pension, medical, educational, housing, financial, and other benefits provided under the title to veterans of the War, and for other purposes; to the Committee on Veterans Affairs.

By Mr. MACK (for himself, Mr. GRAHAM, and Mr. McCAIN):

S. 387. A bill to amend title XVIII of the Social Security Act to provide an additional payment under part A of the medicare program for the operating costs of inpatient hospital services of hospitals with a high proportion of patients who are medicare beneficiaries; to the Committee on Finance.

By Mr. PACKWOOD (for himself, Mr. AKAKA, Mr. BRADLEY, Mr. BURDICK, Mr. CONRAD, Mr. DODD, Mr. GLENN,

Mr. KENNEDY, Mr. LEVIN, Mr. METZENBAUM, Mr. MITCHELL, Mr. PRYOR, Mr. DECONCINI, Mr. GORE, Mr. KERRY, Mr. HOLLINGS, Mr. LIEBERMAN, Mr. ROBB, Mr. PELL, Mr. FOWLER, Mr. NUNN, Mr. DASCHLE, Mr. CRANSTON, Mr. DIXON, Mr. SARBANES, Mr. BAUCUS, Mr. BURNS, Mr. COHEN, Mr. D'AMATO, Mr. DOLE, Mr. DURENBERGER, Mr. GORTON, Mr. HATCH, Mrs. KASSEBAUM, Mr. SYMMS, Mr. THURMOND, Mr. COCHRAN, Mr. CHAFEE, Mr. HELMS, Mr. MURKOWSKI, Mr. JEFFORDS, Mr. CRAIG, Mr. GRASSLEY, Mr. BOND, Mr. STEVENS, Mr. WARNER, Mr. SEYMOUR, Mr. PRESSLER, Mr. SASSER, Mr. WALLOP, Mr. LAUTENBERG, Mr. MACK, and Mr. INOUYE):

S.J. Res. 66. Joint resolution to designate February 7, 1991, as "National Women and Girls in Sports Day"; to the Committee on the Judiciary.

By Mr. THURMOND:

S.J. Res. 67. Joint resolution to recognize and commemorate the centennial of the Immigration and Naturalization Service; to the Committee on the Judiciary.

By Mr. AKAKA (for himself and Mr. INOUYE):

S.J. Res. 68. Joint resolution to apologize to the Hawaiian people for the overthrow of the Kingdom of Hawaii in 1893 and to declare the trust relationship between the United States Government and the Native people of Hawaii; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. RIEGLE from the Committee on Banking, Housing, and Urban Affairs:

S. Res. 49. Resolution authorizing expenditures by the Committee on Banking, Housing, and Urban Affairs; to the Committee on Rules and Administration.

By Mr. STEVENS:

S. Res. 50. Resolution to commend David Baumeister for a lifetime of service to his community; considered and agreed to.

By Mr. KENNEDY (for himself, Mr. DOLE, Mr. PELL, Mr. SIMPSON, Mr. LUGAR, Mr. MCCAIN, and Mr. PACKWOOD):

S. Res. 51. Resolution calling upon the Government of Vietnam to permit political prisoners from the former Government of South Vietnam to depart Vietnam and reunite with their families in the United States; considered and agreed to.

By Mr. BUMPERS from the Committee on Small Business:

S. Res. 52. An original resolution authorizing expenditures by the Committee on Small Business; to the Committee on Rules and Administration.

By Mr. HATFIELD:

S. Con. Res. 11. Concurrent resolution to establish an Albert Einstein Congressional Fellowship Program; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BUMPERS (for himself, Mr. KASTEN, Mr. NUNN, Mr. DIXON, Mr. LIEBERMAN, Mr. GRASSLEY, Mr. HARKIN, Mr. KERRY, Ms. MIKULSKI, Mr. BAUCUS, and Mr. SASSER):

S. 360. A bill to authorize the Small Business Administration to provide financial and business development assistance to military reservists' small businesses, and for other purposes; to the Committee on Small Business.

MILITARY RESERVISTS SMALL BUSINESS RELIEF ACT

• Mr. BUMPERS. Mr. President, I am today introducing the Military Reservists Small Business Relief Act to aid those small businesses whose owner, manager, or key employee has been called to active duty in the Persian Gulf war. Without a doubt, every Member in this body wants to do all in his power to make life easier for our troops and for their families.

I offer this bill on behalf of my ranking member on the Small Business Committee, Senator KASTEN, as well as Senators NUNN, DIXON, LIEBERMAN, GRASSLEY, HARKIN, and KERRY.

I have said before that the Federal Government should spare no effort in trying to accommodate those called away from their jobs and businesses, to say nothing of their loved ones. Many of those in the National Guard and Reserves are small business owners or managers. Others may be key professional employees in small businesses whose skills are not easily replaced. What is to be done for these businesses? If mom or pop is called to serve, it can mean that the business must literally close its doors in some cases. It may mean layoffs of other employees, further contributing to the recession which is already more than enough adversary for most business people to cope with. Or, it may mean that the spouse or children must go to work to keep the business going.

I do not doubt, Mr. President, that some small companies will be irretrievably lost due to this war, as much casualties as Saddam's victims on the battlefield. We may not be able to save all of them. But where government can offer a helping hand, surely we must.

This bill does little enough for Reservists' businesses and their families, but we can do no less. I am proposing three important measures: First, this bill will establish a moratorium on repayment of any SBA direct loan held by a member of the Guard or Reserves called to active duty since the beginning of the gulf crisis. This will include, most importantly, SBA's business and home disaster loans, as well as direct business loans under the Economic Opportunity Loan [EOL], the 8(a) loan program, or the veterans loan program. During the period of abatement, interest will not accrue and no payment will be required until 6 months after the reservist is released from active duty.

Mr. President, there is a woman in my home State named Linda Stake. She has a direct loan from the Small Business Administration. Her husband was called to active duty in December, and he is now in the Persian Gulf. She has been operating the family's two ice companies in Stone County alone. Fortunately, the Small Business Administration has reduced the interest on the family's direct business loan and has also lowered their monthly payments for a period of 1 year. But my bill, when it becomes law, will allow them to defer all of their payments on the SBA loan, interest, and principal, until 6 months after Mr. Stake returns from active duty.

In addition to that, one of Linda's ice machines is not working and is leaking Freon. This bill would allow her to borrow the $7,000 that she needs to repair or replace the machinery at 4-percent interest, and in addition it would make her eligible for a wide range of counseling assistance. She does not need it right now, but she might somewhere down the line.

SBA currently has approximately 150,000 disaster loans on its books for a total of $3.3 billion. The Agency made over $1 billion in disaster loans to the victims of Hurricane Hugo and the San Francisco earthquake alone, both in 1989. How many of these loans are to reservists and guardsmen and women is uncertain, but SBA can easily notify these borrowers that this assistance is available. I note this help will be in addition to whatever rights the service man or woman already has under the Soldiers' and Sailors' Relief Act, and I understand the Veterans Committee intends to hold hearings on updating the provisions of that act very shortly.

Second, Mr. President, SBA will be authorized by this legislation to provide direct loans for interim operating capital while the primary owner or manager is called away. These loans will be along the lines of the already-existing economic injury disaster loan. They will be made from the disaster loan fund and will carry an interest rate of 4 percent. This kind of loan is not unprecedented and has been provided for much less extreme economic dislocations, including the devaluation of the Mexican peso and the so-called PIK Program some years ago. Again, the purpose is to tide businesses over so they may keep their doors open and minimize the impact on the economy from the war.

Third, SBA and all of its programs and grantees are directed to make every effort to reach out to those businesses affected by the war and provide them with a full range of management assistance and counseling. Oftentimes, the loss of the primary owner or operator of a small buisness means that the spouse or even children must fill in. The family may not have the management skills that mom or dad did, so we should seek to ensure that the great wealth of business expertise which we

have in this economy is readily available to them.

In addition to the management assistance that the Small Business Administration can provide directly through its district and regional offices, the Service Corps of Retired Executives, the Small Business Development Centers and Small Business Institutes, which are active on college campuses across the Nation, have a world of resources to offer the reservists' businesses.

Mr. President, I hope every Member of this body will join me in cosponsoring this legislation. As chairman of the Committee on Small Business, I intend to move this bill to markup as soon as possible, and I will ask the majority leader to expedite consideration on the floor.

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. 360

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

SECTION 1. THIS ACT MAY BE CITED AS THE "MILITARY RESERVISTS SMALL BUSINESS RELIEF ACT."

SEC. 2. DEFERRALS OF SBA LOANS FOR BORROWERS SERVING IN THE MILITARY.

Section 7(a) of the Small Business Act (15 U.S.C. 636(a)) is amended by adding a new paragraph (21) at the end thereof to read as follows:

(21)(A). The administration shall, upon written request, defer repayment on any direct loan made pursuant to subsections (a) and (b) of this section if such loan was incurred by a person who is a member of a reserve component of the Armed Forces of the United States prior to his or her being ordered to active duty. Such deferral shall begin at the date the military reservist is ordered to active duty during a covered military operation and shall remain in effect until 180 days after the date such military reservist is released from active duty. During the period of deferral, repayment of principal and interest on the loan shall not be required and no interest on the loan shall accrue.

(B)(i) For purposes of this paragraph and section 7(b)(3) of this Act, "person" means an individual, or a small business concern in which a service-member has a 20 percent or greater ownership interest or works as a key employee or a manager responsible for the daily business operations.

(ii) For purposes of this paragraph and section 7(b)(3) of this Act, "covered period of military service" means a period of war declared by Congress, the period of national emergency declared by Congress or the President, or a period in which reserve component personnel are on active duty pursuant to Section 673(b) of Title 10, United States Code.

SEC. 3. ECONOMIC INJURY DISASTER LOAN ASSISTANCE FOR MILITARY RESERVISTS' SMALL BUSINESSES.

Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by adding a new paragraph (3) to read as follows: (3)(A) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) to assist any small business concern (including those engaged in the lease or rental of real or personal property) which has suffered or is likely to suffer economic injury or is unable or likely to be unable to market a product or provide a service ordinarily provided by the small business, when such assistance is made necessary by the departure of a military reservist ordered to active duty during a covered period of military service, and such military reservist, with respect to such small business concern, is a key employee, a manager responsible for daily business operations, or an owner having a 20 percent or greater ownership interest in the concern.

(B) Any loan or guarantee extended pursuant to paragraph (3) of section 7(b) shall be made at an interest rate of 4 per cent per annum, without regard to the small business concern's ability to secure credit elsewhere.

(C) No loan under paragraph 7(b)(3) shall be made, either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred (guaranteed) basis, if the total amount outstanding and committed to the borrower under section 7(b) would exceed $500,000 for each covered military operation, unless an applicant constitutes a major source or employment in an area suffering a disaster, in which case the administration, in its discretion, may waive the $500,000 limitation.

(D) The regulation found at section 120.101-2(b)(1), title 13, Code of Federal Regulations, or any successor to such regulation, shall not apply to small business concerns seeking loans under this paragraph.

(E) For purposes of assistance provided under this paragraph, no declaration of disaster shall be required.

SEC. 4. BUSINESS DEVELOPMENT AND MANAGEMENT ASSISTANCE FOR MILITARY RESERVISTS' SMALL BUSINESSES.

Sec. (8) of the Small Business Act (15 U.S.C. 637) is amended by adding the following new subsection (k):

(k) The Administration is directed to fully utilize, as appropriate, all of its business development and management assistance programs, including those involving state or private sector partners, to provide business counseling and training to small businesses adversely affected by the deployment of units of the Armed Forces of the United States in support of a war declared by Congress, the period of national emergency declared by Congress or the President, or an operational mission requiring the augmentation of the active forces under the authority of section 673(b) of title 10, United States Code. The Administration is further directed to publicize, to the maximum extent possible, the availability of the assistance provided by this Act (and the Small Business Investment Act of 1958) nationwide, including the appropriate local office at which affected small businesses can seek the assistance.

SEC. 5. REGULATIONS.

The administration shall promulgate any regulations deemed necessary to implement sections 2 and 3 of this Act as emergency interim final regulations within 30 days of the date of enactment.

SEC. 6. EFFECTIVE DATES.

(a) Sections 2 and 4 are effective upon the date of enactment of this Act.

(b) Section 3 is effective as to economic injury occurring on or after August 1, 1990.

SEC. 7. TREATMENT OF EXPENDITURES.

For the purposes of sections 251(b)(2)(D) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.), as amended by section 13101 of Public Law 101-508, all direct and discretionary spending contained in this Act are emergency expenditures related to Operation Desert Shield, Operation Desert Storm, or any successor thereto.•

• Mr. KASTEN. Mr. President, I am proud to join my colleague, the distinguished chairman of the Senate Small Business Committee in introducing the Military Reservists Small Business Relief Act.

It has come to my attention that several Mom and Pop small businesses have been hurt by the absence of key figures called to serve in the Persian Gulf. We cannot allow the consequences of the war to directly harm the backbone of our economy—American small business. The introduction and eventual swift passage of this bill will bring much-needed relief to thousands of small business owners across the country.

As the ranking member of the Small Business Committee, I want the people of America to know that we are committed to helping them through this crisis.

When the head of a small family business is called to serve overseas, the business may be left struggling. These businesses don't want a handout from the Federal Government, they need a helping hand in order to survive this hardship situation. Our bill will give them that opportunity and I hope many of America's small businesses will take advantage of it.

The brave men and women serving in the Persian Gulf already have a lot on their minds—the Military Reservists Small Business Relief Act will alleviate the worry of losing their businesses back home.

Our bill provides for a moratorium on repayments of Small Business Administration disaster and business loans for military reservists on active duty.

This bill will also allow the SBA to make direct loans to provide operating capital for businesses losing a manager to military service.

And finally, the Military Reservists Small Business Relief Act will direct the SBA to provide business counseling and other management assistance to businesses effected by the war.

The Small Business Administration has many interesting and effective programs that are available to assist these businesses. One of the most effective is the SCORE Program.

SCORE, or the SBA's Service Corps of Retired Executives, is made up of former executives who volunteer their experience to businesses who need it.

Last year, in Wisconsin alone, almost 2,800 businesses benefited from this program. I'd imagine this year that number will be even higher.

I strongly believe the reservists who have been called away from their families, communities, and businesses to serve in the Persian Gulf deserve every

measure of support we can extend. We cannot allow family business to fail because one of the owners is serving our country.

I am proud to be an original cosponsor of this bill and urge my colleagues to join me in support of this legislation.●

By Mr. HELMS:

S. 361. A bill to amend the Soldiers' and Sailors' Civil Relief Act of 1940 and title 38, United States Code, to improve veterans rights to reinstatement of health insurance; to the Committee on Veterans' Affairs.

DESERT STORM HEALTH PROTECTION ACT

Mr. HELMS. Mr. President, I am today introducing the Desert Storm Health Protection Act to ensure that National Guardsmen and reservists returning from active duty in the Persian Gulf will have adequate health insurance for themselves and their families.

Last year the distinguished chairman of the House Veterans' Affairs Committee, Mr. MONTGOMERY, introduced similar legislation. However, Congress recessed before it could meet final approval.

Mr. President, under current law, when a reservist or guardsman is called to active duty he and his family are automatically placed on the CHAMPUS health program. This means that the serviceman's private or employer-funded health insurance premiums are no longer being paid while he is away from home.

When the member of the Armed Forces returns from active duty he is automatically taken off CHAMPUS. Most of the time he will return to his former health insurance program. However, that is not guaranteed. It is legal for his insurance company or employer to refuse to take back that serviceman and his family.

This legislation closes that loophole at no cost to the taxpayer.

Mr. President, I have heard several disturbing reports that legislation ostensibly designed to aid the soldiers and families of Desert Storm will become a battleground for more entitlement programs, more legislative experiments, and more Government interference. I can think of no greater injustice to the men and women of the Armed Forces than to have their needs put aside for the sake of partisan advantage.

Let me close with this personal note: The idea for this legislation originated with a close friend of mine in Raleigh. He is a dedicated North Carolinian who has devoted much of his life to our State as a combat officer in the National Guard.

Mr. President, over 20 percent of the forces in the Persian Gulf call North Carolina home. We owe it to them and to their fellow service men and women to make their return home easier and to ensure that the health care of their families is provided for. The Desert Storm Health Protection Act is a good first step.

By Mr. SHELBY:

S. 362. A bill to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabama; to the Select Committee on Indian Affairs.

MOWA BAND OF CHOCTAW INDIANS RECOGNITION ACT

● Mr. SHELBY. Mr. President, today I am reintroducing the Mowa Band of Choctaw Indians Recognition Act. I first introduced legislation to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabama in the 100th Congress. I again introduced the bill, redesignated as S. 381, in February 1989. I believe in this legislation, Mr. President, and I believe that the Mowa's have a very real case for Federal recognition.

The Mowa Band of Choctaw Indians is a group of about 7,000 people who live in southwest Alabama within the original boundary of the Choctaw Nation. Though the people have been located there for over 10 generations, the name "Mowa" is recent. It is derived from the first two letters of Mobile and Washington Counties in Alabama and represents their geographic location. Their ancestors established the community in this sparsely populated area during the 1800's, just prior to the removal of the Indians from the State. The Mowa Choctaws of south Alabama are a segment of the Choctaw Indians who refused to migrate from their homeland during the infamous "Trial of Tears." They avoided removal by concealing themselves and their descendants in their efforts to achieve recognition as Indians. The tribe is officially recognized by the State of Alabama and for years has sought recognition by the Federal Government.

The Mowa Choctaws of Alabama have lived in the same area for over 200 years. The members have been living together and functioning as a group for those years. The direct ancestors of the Mowa's came together in the forks between the Alabama and Tombigbee Rivers, below a stream called the Cut-Off which flows from the Alabama River southwest to the Tombigbee. This basin area between the rivers had always been claimed by both Choctaw and Creek Indians. To settle the dispute, the U.S. Government set the watershed as the boundary line with the Creek to the east and the Choctaw to the west. The Mowa community was, and still is, on the Choctaw side of the Tombigbee River.

This Mowa area has been identified as a prehistoric Indian site by the U.S. Army Corps of Engineers in the corps reconnaissance study made prior to the construction of the Tennessee-Tombigbee Waterway. Artifacts attest to Indian occupation long before the arrival of Europeans.

Since this early period, the Mowa people have paid taxes, voted, and served their country from the Civil War through today's Persian Gulf war. However, there are still those who doubt the tribe's claim of being Indian.

Since the 1880's, the ancestors of today's Mowa's have consistently sought recognition as an Indian tribe. Each time the U.S. Government opened the rolls, the tribe applied—with the Eastern Choctaw in 1887, the Eastern Cherokees in 1907, and the Creeks in the 1950's—finally achieving State recognition in 1978.

The goal of the Mowa's in seeking Federal recognition is to preserve their community. They believe that, with a little assistance and the cooperation and good faith of their non-Indian neighbors, they can help their people improve their standard of living and obtain adequate housing. The Mowa Indians have developed a good relationship with their non-Indian neighbors. They currently serve with them in local community organizations and in positions of leadership. They have demonstrated that they can perform effectively alongside their fellow Alabamians in the schools, on the assembly line, and in the boardroom.

The Mowa's plans for economic development stress the dual goals of providing employment for tribe members and utilizing their existing skills, while training them for future jobs. They have no interest in get-rich-quick schemes or those that would destroy their resources or alienate their young people or elders. The Mowa's need the opportunities that Federal recognition will provide.

The Mowa's desire the same success that has come to their cousins, the Mississippi Band of Choctaws, since that tribe gained Federal recognition. The Mississippi Choctaws have made great strides in education, health care, housing, and job training for their people. Their economic development is a source of pride. The establishment of a development company in 1969 paved the way for the construction of 400 new homes and the repair of another 200, and is responsible for construction of numerous buildings on the reservation. The Mississippi Choctaws are one of the largest employers in the State. It can also happen for the Mowa's.

Even though the Mowa Choctaw Indians have had a long battle to regain their identity, the hard work of their leaders has made the effort worthwhile. They have self-respect and are proud of their heritage as native Americans. I am proud that I can assist them in their struggle to receive overdue recognition by reintroducing the Mowa Band of Choctaw Indians Recognition Act in the 102d Congress. I urge my colleagues to join me in supporting this important legislation.

I ask unanimous consent that the text of the bill be printed in full following the completion of my statement.

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

S. 362

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Mowa Band of Choctaw Indians Recognition Act".

FEDERAL RECOGNITION

SEC. 2. Federal recognition is hereby extended to the Mowa Band of Choctaw Indians of Alabama. All Federal laws of general application to Indians and Indian tribes shall apply with respect to the Mowa Band of Choctaw Indians of Alabama.

RESTORATION OF RIGHTS

SEC. 3. (a) All rights and privileges of the Mowa Band of Choctaw Indians which may have been abrogated or diminished before the date of enactment of this Act by reason of any provision of Federal law that terminated Federal recognition of the Mowa Band of Choctaw Indians of Alabama are hereby restored and such Federal law shall no longer apply with respect to the Band or the members of the Band.

(b) Under the treaties entered into by the ancestors of the Mowa Band of Choctaws, all historical tribal lands were ceded to the United States. Congress does hereby approve and ratify such cession effective as of the date of the said cession and said cession shall be regarded as an extinguishment of all interest of the Mowa Band of Choctaws, if any, in said lands as of the date of the cession. By virtue of the approval and ratification of the cession of said lands, all claims against the United States, any State or subdivision thereof, or any other person or entity, by the Mowa Band of Choctaws, including but not limited to, claims for trespass damages or claims for use and occupancy, arising subsequent to the cession and that are based upon any interest in or right involving such land, shall be regarded as extinguished as of the date of the cession.

(c) The Mowa Band of Choctaws has no historical land claim and can not, and shall not utilize its Federal recognition as provided by this Act to assert any historical land claim. As used herein, "historical land claim" means a claim to land based upon a contention that the Mowa Band of Choctaws, or its ancestors, were the native inhabitants of such land or based upon the Mowa Band of Choctaw's status as native Americans or based upon the Mowa Band of Choctaws' Federal recognition as provided by this Act.

(d) Except as otherwise specifically provided in section 4 or any other provision of this Act, nothing in this Act may be construed as altering or affecting—

(1) any rights or obligations with respect to property,

(2) any rights or obligations under any contract, or

(3) any obligation to pay a tax levied before the date of enactment of this Act.

LANDS

SEC. 4. (a) All legal rights, title, and interests in lands that are held by the Mowa Band of Choctaw Indians of Alabama on the date of enactment of this Act are hereby transferred to the United States in trust for the use and benefit of the Mowa Band of Choctaw Indians of Alabama

(b)(1) Notwithstanding any other provision of law, the Mowa Band of Choctaw Indians of Alabama shall transfer to the Secretary of the Interior, and the Secretary of the Interior shall accept on behalf of the United States, any interest in lands acquired by such Band after the date of enactment of this Act. Such lands shall be held by the United States in trust for the benefit of the Mowa Band of Choctaw Indians of Alabama.

(2) Notwithstanding any other provision of law, the Attorney General of the United States shall approve any deed or other instrument used to make a conveyance under paragraph (1).

(c) Any lands held in trust by the United States for the benefit of the Mowa Band of Choctaw Indians of Alabama by reason of this section shall constitute the reservation of such Band.

(d) The Congress finds that the provisions of this section are enacted at the request of the Mowa Band of Choctaw Indians of Alabama and are in the best interests of such Band.

SERVICES

SEC. 5. The Mowa Band of Choctaw Indians of Alabama, and the members of such Band, shall be eligible for all services and benefits that are provided by the Federal Government to Indians because of their status as federally recognized Indians and, notwithstanding any other provision of law, such services and benefits shall be provided after the date of enactment of this Act to the Band, and to the members of the Band, without regard to the existence of a reservation for the Band or the location of the residence of any member of the Band on or near any Indian reservation.

CONSTITUTION AND BYLAWS

SEC. 6. (a) The Mowa Band of Choctaw Indians of Alabama may organize for its common welfare and adopt a constitution and bylaws in accordance with regulations prescribed by the Secretary of the Interior. The Secretary of the Interior shall offer to assist the Band in drafting a constitution and bylaws for the Band.

(b) Any constitution, bylaws, or amendments to the constitution or bylaws that are adopted by the Mowa Band of Choctaw Indians of Alabama shall take effect only after such constitution, bylaws, or amendments are filed with the Secretary of the Interior.

MEMBERSHIP

SEC. 7. (a) Until a constitution for the Mowa Band of Choctaw Indians of Alabama is adopted, the membership of the Band shall consist of every individual who—

(1) is named in the tribal membership roll that is in effect on the date of enactment of this Act, or

(2) is a descendant of any individual described in paragraph (1).

(b) After the adoption of a constitution by the Mowa Band of Choctaw Indians of Alabama, the membership of the Band shall be determined in accordance with the terms of such constitution or any bylaws adopted under such constitution.

REGULATIONS

SEC. 8. The Secretary of the Interior shall prescribe such regulations as may be necessary to carry out the purposes of this Act.●

By Mr. BRADLEY (for himself and Mr. LAUTENBERG):

S. 363. A bill to authorize the addition of 15 acres to Morristown National Historical Park; to the Committee on Energy and Natural Resources.

EXPANSION OF MORRISTOWN NATIONAL HISTORICAL PARK

● Mr. BRADLEY. Mr. President, today I am introducing legislation which simply expands the authorized size of the Morristown National Historical Park. I am pleased that Senator LAUTENBERG is joining me as a cosponsor of this bill. This legislation will allow the addition of roughly thirteen acres of historic significance to the park. The current owner of the parcel has been negotiating with the National Park Service and a sale, on favorable terms to the U.S. Government, seems likely.

Morristown has undergone numerous boundary changes since its creation as the first National Historical Park in 1933, the most recent in 1976. The property in question possesses great potential for preserving archaeological resources and for providing historical information on the winter encampment of George Washington's Continental Army. This is due to the location of the northern portion of the property. This area contains a large stream—Primrose Brook—a spring and the 18th century Old Army Road, which was used by the troops.

It is most likely that the Connecticut Brigades used the spring and stream as primary water sources for their camp, as it is the closest water available. It is also very likely that the Army regularly gained access to the camp by crossing over the property from the bordering military road. This extensive military activity during the December to June, 1779–80, encampment period would be expected to yield an abundance of encampment artifacts.

Mr. President, there is a need to pass this legislation promptly. The money for the acquisition has already been appropriated to the National Park Service. I urge my colleagues to consider the legislation and approve it without undue delay.

I ask unanimous consent that the text of the bill be printed in the RECORD following my remarks.

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

S. 363

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

SECTION 1. ADDITION TO PARK.

The Act entitled "An Act to authorize the addition of lands to Morristown National Historical Park in the State of New Jersey, and for other purposes", approved September 18, 1964 (16 U.S.C. 409g), is amended by striking "600" each place it appears and inserting "615".●

By Mr. LIEBERMAN:

S. 364. A bill to provide assistance to business and education partnerships for the reform of education and training to revitalize the Nation's economy and improve the Nation's competitive position; to the Committee on Labor and Human Resources.

BUSINESS AND EDUCATION PARTNERSHIP ACT

• Mr. LIEBERMAN. Mr. President, during the past decade economic growth in the United States has virtually come to a halt. This is in marked contrast both to the rate of growth in this country from World War II to the 1970's and to the growth rates in other Western countries—most notably Japan and Germany. As business and government begin to examine the reasons for this flagging growth rate, it has become clear that developing a better educated, more highly skilled work force is a critical factor in improving our productivity and stimulating economic growth. We must build on the initiatives of many private businesses and State and local education officials and focus national attention on preparing the work force for the 21st century.

We must focus on creating a high quality system of education that provides our work force with the skills businesses need to innovate and compete in a global economy. While we have come to recognize that our current system of education does not provide our work force with the necessary skills to compete in a world market, we have not yet made a national commitment to developing a work force with these skills.

Every year 1 million Americans drop out of high school. Twenty-five percent of those who do graduate from high school cannot read or write at even an eighth grade level. Few of those who stay in school are being equipped with the knowledge and skills they need to get a good job without additional training. And of those who do go on to college, many are not pursuing degrees in areas that are crucial to America's success in the international market. The National Science Foundation predicts that we will train 400,000 fewer scientists and engineers than our economy will need by the year 2000.

While we must attempt to increase the number of scientists and engineers being trained, we must be careful not to focus only on preparing students for college. Students who demonstrate an academic aptitude early are tracked in courses designed to prepare them for college life. Those who fail to make this college cut are often relegated to courses designed to get them nowhere. We must recognize the importance of training all our students, not just the most academically gifted, for life in the real world, and that means more emphasis on basic skills and technical training. A high school degree must be more than just a passport to college for those who can make it—it must be the ticket for a good job, a job which contributes to American productivity, for all who want one.

Improving the education and training our work force receives need not involve massive Federal spending. Businesses are already spending $30 billion a year on worker training and education. However, most of this current investment in training by businesses is spent by fewer then 1 percent of American companies. Businesses, small and large, are only gradually learning that although spending on worker training may be costly in the short run, it is critical to their survival and their ability to compete in the long run. The Federal Government's role must be to look for ways to encourage and facilitate investment in training by businesses around the Nation.

The bill I am introducing today addresses the need for drastic improvements in work force education and training by providing incentives for the establishment of business/education partnerships. Grants are targeted to partnerships creating programs both for those still in high school and for those who are already in the work force. Our need for more scientists and mathematicians, and for high school graduates who are well-trained in high technology fields is addressed by funding model schools that would provide the most up-to-date training in these areas. In several communities science high schools already exist and have been very successful at attracting students and preparing them for careers in science. We need more of these schools to reach students at an early age and develop their special interest in and aptitude for science and also as a base by which to upgrade the level of science training throughout our school system.

Model high schools that focus on state-of-the-art technology training for the noncollege bound will give business and education partnerships the opportunity to develop a program which provides not only the strong basic skills education necessary to be productive in today's work force but also the advanced technological job skills necessary to meet the needs of businesses attempting to compete in a world market. These schools will be able to experiment with apprenticeship programs like those in Germany which have produced highly trained, highly sought-after entrants into the work force, as well as other programs which can combine the skills and knowledge of business people and educators in the area.

Many innovative ideas for reforming the educational process are currently under discussion but most are difficult to introduce on a large-scale in any education system without preliminary testing and evaluation. This bill also provides funding for a small number of experimental high schools, to be established by Governors, which would serve as the testing ground for future directions in education. These innovative schools would focus on a range of critical education problems and on developing new approaches to administration and curriculum. Issues focused on could include helping students from economically disadvantaged backgrounds, dropout prevention programs, enrichment programs for students with particular talents, greater teacher control of curriculum and school structure and greater teacher accountability, and coordination between the high school and institutions of higher education.

Many businesses are dissatisfied with the competence of the labor pool from which they must hire. Others realize that their employees need training in basic skills or retraining to keep up with advances in technology. The need for training is especially troubling to small businesses which have the fewest resources and the least ability to provide inhouse training for their employees. Around the country community colleges are increasingly taking on the role of assisting businesses in designing training programs.

This bill addresses the need for business training programs by providing funds to community colleges to design programs that meet the needs of consortia of small businesses in the same industry, which use the same technology, or which share common needs for basic skills education. Such consortia will enable small businesses to share the costs of worker training, take advantage of the resources of community colleges, increase the resources available to small firms, and allow more cost-effective development of training materials and programs.

There is no more important task in the years ahead than that of upgrading our current and future work force. I look forward to working with my colleagues to accomplish this task.

Mr. President, I ask unanimous consent that the text of the bill and of a section-by-section summary of the bill be printed in the RECORD immediately following my remarks.

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

S. 364

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Business and Education Partnership Act of 1991".

SEC. 2. DEFINITIONS.

For the purposes of this Act—

(1) the term "antitrust laws" has the same meaning given such term in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent that such section 5 applies to unfair methods of competition;

(2) the term "Director" means the Director of the National Science Foundation;

(3) the term "Governor" means the Governor or chief executive officer of each of the 50 States and the District of Columbia;

(4) the term "local educational agency" has the same meaning given such term in section 1471(12) of the Elementary and Secondary Education Act of 1965;

(5) the term "Secretary", unless otherwise specified, means the Secretary of Education; and

(6) the term "State educational agency" has the same meaning given such term in section 1471(23) of the Elementary and Secondary Education Act of 1965.

TITLE I—MODEL SCHOOLS

PART A—MODEL HIGH SCHOOLS OF SCIENCE AND MATHEMATICS

SEC. 111. FINDINGS.

The Congress finds that—

(1) advances in science and mathematics depend on the quantity and quality of our Nation's mathematicians and scientists;

(2) revitalizing our Nation's command of science and mathematics is an overwhelming task for single school districts without the collaboration of the private sector and incentives from government;

(3) schools such as the Bronx High School of Science have been very successful in producing leaders and scholars in the sciences; and

(4) specialized curriculum schools promote excellence and have the potential to upgrade the quality of science programs within the broader school system.

SEC. 112. PROGRAM AUTHORIZED.

(a) IN GENERAL.—The Secretary, in consultation with the Director, is authorized to make not more than 10 grants to business and education partnerships to pay the Federal share of the costs of planning, establishing, and operating high schools of science and mathematics.

(b) PROCEDURES AND CRITERIA.—The Secretary, in consultation with the Director, shall develop procedures and criteria for awarding grants under this part on a competitive merit basis.

SEC. 113. BUSINESS AND EDUCATION PARTNERSHIP.

For the purpose of this part the term "business and education partnership" means representatives of State or local educational agencies or consortia of local educational agencies who have entered into agreements with local or regional businesses, associations, non-profit organizations, and any other appropriate groups or individuals to plan, fund, and provide ongoing support for, a science and mathematics high school.

SEC. 114. APPLICATION.

(a) IN GENERAL.—Each business and education partnership desiring a grant under this part shall submit an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(b) CONTENTS.—Each application submitted pursuant to subsection (a) shall describe—

(1) the activities and services for which assistance is sought;

(2) the business and education partnership;

(3) where the school will be located, what areas will be served by the school, and a justification for selecting such areas;

(4) the number of students who will attend the school;

(5) the criteria for the selection of students;

(6) the source of the non-Federal share of the costs of establishing and operating the school;

(7) the availability of qualified teachers or plans to provide appropriate in-service training for teachers;

(8) the curriculum;

(9) plans for any specialized opportunities for students; and

(10) plans to provide enriched educational experiences for students who do not attend the school through summer programs and taped instructional material.

(c) APPROVAL.—The Secretary, in consultation with the Director, shall appoint one or more technical review panels, consisting of scientists and mathematicians from universities, professional or scientific associations, government agencies, secondary school administrators and teachers familiar with science and mathematics training and issues, and representatives of business to—

(1) establish competitive selection criteria based on the application contents described in subsection (b);

(2) select and approve applications under this part based on the selection criteria established pursuant to paragraph (1); and

(3) make recommendations to the Secretary regarding the awarding of grants under this part.

(d) SPECIAL RULE.—The Secretary shall only award grants under this part to applicants that demonstrate in their application a commitment to continue the operation of the high school of science and mathematics after the termination of assistance provided under this part.

(e) EQUITABLE DISTRIBUTION.—Each panel described in subsection (c) shall make recommendations to the Secretary regarding the awarding of grants under this part that assure an equitable geographic distribution of high schools of science and mathematics throughout the United States.

SEC. 115. PAYMENTS; FEDERAL SHARE; NON-FEDERAL SHARE.

(a) PAYMENTS.—The Secretary shall pay to each business and education partnership having an application approved under section 114 the Federal share of the costs of the activities described in the application.

(b) FEDERAL SHARE.—The Federal share—

(1) for the first 4 years for which a business and education partnership receives a grant under this part shall be 50 percent; and

(2) for the fifth and sixth such years shall be 25 percent.

(c) NON-FEDERAL SHARE.—The non-Federal share of payments under this part may be in cash or in kind fairly evaluated, including planned equipment or services, equipment loans or donations, cooperative use of laboratories, plants and other facilities, relevant work experience opportunities for students, or time donated for teaching or mentoring.

SEC. 116. EVALUATION.

(a) DATA.—The Secretary, in consultation with the Director, shall specify data that shall be collected and submitted to the Secretary by each business and education partnership receiving a grant under this part over the period of the grant. Such data shall include a wide range of measures of student achievement, and comparisons of student achievement in the school assisted under this part with student achievement in the local area and the Nation.

(b) REPORT.—(1) The Secretary, in consultation with the Director, shall annually submit a report to the Congress on the effectiveness of the schools assisted under this part.

(2) Each business and education partnership receiving a grant under this part shall submit a report to the Secretary within 6 years of the date of enactment of this Act describing in detail the program assisted under this part, the history of such program's development, and the costs for such program to serve as a blueprint for future high schools of science and mathematics. The Secretary shall distribute such report to all local educational agencies.

PART B—MODEL TECHNOLOGY HIGH SCHOOLS

SEC. 121. FINDINGS.

The Congress finds that—

(1) the United States has failed to adequately train high school graduates to perform high quality work in the manufacturing sector;

(2) in order to remain competitive in the international economy, the United States needs a much more highly skilled technical workforce capable of producing, operating, and servicing the advanced technology of a modern industrial complex;

(3) good technological skills as well as good basic skills in reading, writing, and reasoning are necessary to remain competitive in the international economy;

(4) many United States vocational and technical high schools provide neither state-of-the-art occupational training nor good basic skills training; and

(5) many vocational programs do not train students for the jobs available in the manufacturing sector.

SEC. 122. PROGRAM ESTABLISHED.

(a) IN GENERAL.—The Secretary, in consultation with the Secretaries of Labor and Commerce, is authorized to make not more than 10 grants to business and education partnerships to pay the Federal share of the costs of planning, establishing, and operating model technology high schools with strong academic programs.

(b) PROCEDURES AND CRITERIA.—The Secretary, in consultation with the Secretaries of Labor and Commerce, shall develop procedures and criteria for awarding grants under this part on a competitive merit basis.

SEC. 123. BUSINESS AND EDUCATION PARTNERSHIP.

For the purpose of this part the term "business and education partnership" means representatives of State or local educational agencies or consortia of local educational agencies who have entered into agreements with local or regional businesses, associations, non-profit organizations and any other appropriate groups or individuals to plan, fund, and provide ongoing support for, a technology high school.

SEC. 124. APPLICATIONS.

(a) IN GENERAL.—Each business and education partnership desiring a grant under this part shall submit an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(b) CONTENTS.—Each application submitted pursuant to subsection (a) shall describe—

(1) the activities and services for which assistance is sought;

(2) the partnership;

(3) where the school will be located, what areas will be served by such school, and a justification for selecting such areas;

(4) the number of students who will attend the school;

(5) the criteria for selection of students;

(6) the source of the non-Federal share of the costs of establishing and operating the school;

(7) the availability of qualified teachers or plans to provide appropriate in-service training for teachers;

(8) the curriculum;

(9) plans for specialized opportunities for students, including a plan for apprenticeship programs involving local businesses in which students participate during at least 2 of the 4 years of high school; and

(10) plans to provide enriched educational experience through summer programs and taped instructional material for students

who do not attend the school assisted under this part.

(c) APPROVAL.—The Secretary shall appoint one or more technical review panels (possibly by region), consisting of representatives of private industry councils, labor organizations, secondary school administrators or teachers familiar with vocational and technical education, community colleges, university manufacturing science programs, high-technology businesses, and groups or individuals knowledgeable about technology in the United States and other countries, to—

(1) establish competitive selection criteria based on the application contents described in subsection (b);

(2) select and approve applications under this part based on the selection criteria established pursuant to paragraph (1); and

(3) make recommendations to the Secretary regarding the awarding of grants under this part.

(d) SPECIAL RULE.—The Secretary shall only award grants under this part to applicants that—

(1) design a curriculum that meets the needs of local businesses;

(2) assist students with summer and part-time employment or apprenticeships during the school year and full-time employment after graduation; and

(3) demonstrate a commitment to continue the operation of the technology high school after the termination of assistance provided under this part.

SEC. 125. PAYMENTS; FEDERAL SHARE; NON-FEDERAL SHARE.

(a) PAYMENTS.—The Secretary shall pay to each business and education partnership having an application approved under section 124 the Federal share of the cost of the activities described in the application.

(b) FEDERAL SHARE.—The Federal share—

(1) for the first 4 years for which a business and education partnership receives a grant under this part shall be 50 percent; and

(2) for the fifth and sixth such years shall be 25 percent.

(c) NON-FEDERAL SHARE.—The non-Federal share of payments under this part may be in cash or in kind fairly evaluated, including planned equipment or services, equipment loans or donations, cooperative use of laboratories, plants and other facilities, relevant work experience opportunities for students, or time donated for teaching or mentoring.

SEC. 126. EVALUATION.

(a) DATA.—The Secretary, in consultation with the Secretaries of Labor and Commerce, shall specify data that shall be collected and submitted to the Secretary by each business and education partnership receiving a grant under this part over the period of the grant. Such data shall include measures of student achievement and employment, and measures of the extent to which the training program meets local employer needs.

(b) REPORT.—(1) The Secretary, in consultation with the Secretaries of Labor and Commerce, shall annually submit a report to the Congress on the effectiveness of the schools assisted under this part.

(2) Each business-education partnership receiving a grant under this part shall submit a report to the Secretary within 6 years of the date of enactment of this Act describing in detail the program assisted under this part, the history of such program's development, and the costs for such program to serve as a blueprint for future technology high schools. The Secretary shall distribute such report to all local educational agencies.

PART C—GOVERNOR'S SCHOOLS

SEC. 131. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) many reports, beginning with "A Nation at Risk", have documented serious problems with the Nation's educational system;

(2) much thought has been given to possible solutions to the problems with the Nation's educational system, but change is difficult, especially system-wide change over the thousands of school districts in the United States; and

(3) the Federal Government can stimulate reform by sponsoring research and development and demonstration projects, and by disseminating information about successful programs.

(b) PURPOSE.—It is the purpose of this part to involve States in the search for solutions to educational problems by providing Governors with start-up funds to develop an experimental high school in their State.

SEC. 132. PROGRAM AUTHORIZED.

(a) IN GENERAL.—The Secretary is authorized to make not more than 10 grants to Governors to pay the Federal share of the costs of planning, establishing, and operating an experimental high school in the State to test innovative programs designed to improve student achievement. Such innovative programs shall address at least one of the following areas:

(1) stimulating high achievement among students from economically disadvantaged backgrounds;

(2) drop-out prevention;

(3) enrichment programs for outstanding students;

(4) attracting outstanding teachers to public education;

(5) greater teacher control of curriculum and school structure, and greater teacher accountability;

(6) coordination between the high school and a college or university; and

(7) other critical educational problems the Governor determines are necessary to address.

(b) PROCEDURES AND CRITERIA.—The Secretary shall develop procedures and criteria for awarding grants under this part on a competitive merit basis.

SEC. 133. APPLICATION.

(a) IN GENERAL.—Each Governor desiring a grant under this part shall submit an application at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

(b) CONTENTS.—Each application submitted pursuant to subsection (a) shall describe—

(1) the activities and services for which assistance is sought;

(2) the planned experimental programs, or methods by which such programs will be chosen and tested;

(3) where the school will be located, what areas will be served by such school and a justification for selecting such areas;

(4) the number of students who will attend the school;

(5) the criteria for selection of students; and

(6) the source of the non-Federal share of costs of establishing and operating the school.

(c) APPROVAL.—The Secretary shall appoint members of one or more technical review panels to—

(1) establish competitive selection criteria based on the application contents described in subsection (b);

(2) select and approve applications under this part based on selection criteria established pursuant to paragraph (1); and

(3) make recommendations to the Secretary regarding the awarding of grants under this part.

SEC. 134. PAYMENTS; FEDERAL SHARE.

(a) PAYMENTS.—The Secretary shall pay to each Governor having an application approved under section 133 the Federal share of the cost of the activities described in the application.

(b) FEDERAL SHARE.—The Federal share shall be 50 percent for the first 4 years for which a Governor receives a grant under this part.

SEC. 135. EVALUATION.

(a) STATE.—Each Governor receiving a grant under this part shall submit a report to the Secretary 2 years after the date of enactment of this Act and every 2 years thereafter describing and assessing the effectiveness of the schools assisted under this part.

(b) FEDERAL.—The Secretary shall submit a report to the Congress on the various schools assisted under this part and the outcomes of the innovative programs of such schools within 4 years of the date of enactment of this Act. The Secretary shall distribute the findings of such report to clearinghouses and to local educational agencies.

PART D—AUTHORIZATION OF APPROPRIATIONS

SEC. 141. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $100,000,000 for each of the fiscal years 1992, 1993, 1994 and 1995, and $30,000,000 for each of the fiscal years 1996 and 1997, to carry out the provisions of this title.

TITLE II—TRAINING GRANTS FOR COMMUNITY COLLEGE AND SMALL BUSINESS CONSORTIA

SEC. 201. FINDINGS.

The Congress finds that—

(1) small businesses provide most entry-level jobs in the United States but often lack the resources to provide needed worker education and training;

(2) there is a growing mismatch between worker skills and workplace demands that has a greater impact on small firms than on large firms;

(3) many employees of small businesses need both literacy and English-as-a-second language training and skills training in order to meet the needs of business;

(4) joint education and training programs help share the risks of training, increase the skilled workers available to small firms, and allow more cost-effective development of training materials; and

(5) many small businesses subcontract with large businesses which can provide valuable training advice to the small businesses.

SEC. 202. PROGRAM AUTHORIZED.

(a) IN GENERAL.—The Secretary, in consultation with the Administrator of the Small Business Administration and the Secretaries of Labor and Commerce, is authorized to make not more than 40 grants to community colleges participating in an eligible consortium to pay part or all of the costs of developing and providing training and retraining programs which meet the existing and changing needs of the eligible consortium's workers, especially nonsupervisory workers.

(b) AMOUNT.—The Secretary shall not award a grant under this title in an amount which exceeds $500,000.

(c) PROCEDURES AND CRITERIA.—The Secretary shall establish procedures and criteria for awarding grants under this title on a competitive merit basis.

SEC. 203. ELIGIBLE CONSORTIUM.

For the purpose of this title the term "eligible consortium" means an accredited community college in consortium with two or more small businesses that—

(1) are in the same industry; or

(2) use the same technology; and

(3) have common educational needs.

SEC. 204. APPLICATION.

(a) IN GENERAL.—Each community college desiring a grant under this title shall submit an application to the Secretary at such time, in such manner and accompanied by such information as the Secretary may reasonably require.

(b) CONTENTS.— Each application submitted pursuant to subsection (a) shall describe—

(1) the activities and services for which assistance is sought, which shall include technology training, basic skills training, or English-as-a-second language training;

(2) the membership of the eligible consortium including, where applicable, a description of the large businesses that contract with the small businesses participating in the consortium and have training expertise to share with the small businesses;

(3) the education and training needs of the eligible consortium; and

(4) the source of the non-Federal share of costs of the training and retraining programs, including a description of any system of fees which may be used by the eligible consortium to support or partially support the training or retraining program.

(c) APPROVAL.—The Secretary shall appoint a technical review panel to—

(1) establish competitive selection criteria based on the contents of the application described in subsection (b);

(2) select and approve applications under this title based on the selection criteria established pursuant to paragraph (1); and

(3) make recommendations to the Secretary regarding the awarding of grants under this title.

(d) PREFERENCE.—The panel described in subsection (c) shall give preference to applications that demonstrate a commitment to continue the training and retraining program after the termination of assistance provided under this title.

(e) SPECIAL RULE.—The panel described in subsection (c) shall only approve applications under this title from eligible consortia which demonstrate the ability to provide effective training and retraining programs.

SEC. 205. APPLICATION OF ANTITRUST LAWS.

In any action under the antitrust laws, or under any State law similar to the antitrust laws, the conduct of any person in making or performing a contract to establish, organize, administer, or participate in the programs of an eligible consortium established pursuant to this title shall not be deemed illegal per se, but such conduct shall be judged on the basis of its reasonableness, taking into account all relevant factors affecting competition.

SEC. 206. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $20,000,000 for fiscal year 1992 to carry out the provisions of this section.

SECTION-BY-SECTION OF BUSINESS AND EDUCATION PARTNERSHIP ACT

TITLE I: MODEL SCHOOLS

Part A: Model high schools of science and mathematics

Authorizes Federal matching grants to business and education partnerships to plan, establish and operate model high schools which emphasize math and science.

Part B: Model technology high schools

Authorizes Federal matching grants to business and education partnerships to design, establish and operate advanced technology high schools which combine strong basic skills programs with state-of-art job training. Students will participate in apprenticeship programs and be prepared to enter the work force upon graduation.

Part C: Governor's model schools

Authorizes Federal matching grants to governors to plan, establish, and operate an experimental school in their State for testing new curricula, new methods of school management, new teaching methods, systems of accountability, extended hours or days of attendance, or other proposed solutions to education-related problems in their State that have the potential to substantially improve student achievement.

TITLE II: TRAINING GRANTS FOR COMMUNITY COLLEGE AND SMALL BUSINESS CONSORTIA

Authorizes Federal matching grants to community colleges to develop consortia with two or more small businesses in the same industry, using the same technology, or which share a common need for basic skills training to develop and provide training and retraining programs for the small business's employees. These programs should be designed to respond to the current and changing needs of the small businesses participating in the consortia.•

By Mr. ROTH:

S. 365. A bill to amend the Internal Revenue Code of 1986 to require reporting of group health plan information on W-2 forms; to the Committee on Finance.

MEDICARE SECONDARY PAYER REFORM ACT

• Mr. ROTH. Mr. President, the Permanent Subcommittee on Investigations, on which I serve as ranking minority member, held hearings last year on one part of the Medicare Program, the Medicare Secondary Payer, or MSP Program. This program involves primarily the working elderly—people who are over 65 but who are still employed and have private health insurance through their employer. MSP is designed, as its name implies, to ensure that if an indivdual has private insurance, this private insurance will pay the primary cost of medical bills, while Medicare will contribute only as a secondary payer.

MSP provisions have been in force for a decade. Unfortunately, however, implementation of the program has been, at best, erractic. Various government sources estimate that losses to the Federal Government as a result of improper payments which do not conform to the MSP Program range from $400 million to $1 billion per year. Our investigation revealed that a major reason for these losses is inefficiency and inaccuracy in collection and dissemination of data on private insurance coverage. Payments are made by Medicare as primary payer in many circumstances where the individual in question is covered under an employer-sponsored group health plan which should be bearing the primary costs.

Today, I am introducing legislation aimed at eliminating improper payments under the MSP Program and thereby stemming the flow of wasted Federal tax dollars. This legislation has two components. The first is an amendment to the Federal W-2 tax form which would add one additional line asking employers to certify (a) whether or not they offer group health insurance to their employees and (b) what type of coverage (self or family), if any, the employee has elected. The second component, and the key to the success of this MSP reform legislation, is the establishment of a data bank for the collection and processing of this health insurance information. Without such a systematic process, the erroneous payment, waste, and abuse occurring under the MSP Program will continue. Medicare administrators as well as other appropriate State agencies would have access to the information as a check to ensure that the proper private insurance, if applicable, has paid primary to Medicare.

Costs of our medical care and health insurance systems are spiraling. Medical care providers such as hospitals, Medicare contractors which administer Medicare benefits, private insurance companies, the Health Care Financing Administration, and even the Congress—all bear some of the responsibility for this situation, and all must work together to rectify it. The United States has the most advanced medical research programs and health technology in the world. Yet, by gradually pricing ourselves out of our own market, we run the danger of loosing the competitive edge which has enabled our doctors and nurses, our hospitals and clinics to be at the forefront in offering livesaving cures and techniques.

My understanding is that the administration is prepared to support the basic thrust of this legislation. I welcome this support and commend the President and his administration for their willingness to correct the deficiencies of the Medicare Secondary Payer Program. U.S. taxpayers should be grateful, too.

I urge the support of my colleagues for this legislation.•

By Mr. KOHL (for himself and Mr. KASTEN):

S. 366. A bill to designate the U.S. Courthouse located at 120 North Henry Street in Madison, WI, as the "Robert W. Kastenmeier United States Courthouse;" to the Committee on Environment and Public Works.

ROBERT W. KASTENMEIER UNITED STATES COURTHOUSE

• Mr. KOHL. Mr. President, I rise today to pay tribute to Robert W. Kastenmeier. During his 32 years as a Member of the House, Bob ably represented his constituents in the Second District of Wisconsin, demonstrated a

deep commitment to protecting the public interest, and made unprecedented contributions to our Federal judicial system. In recognition of both his service and his achievements, and on behalf of the entire Wisconsin delegation, I am honored to introduce legislation naming the Federal courthouse in Madison the "Robert W. Kastenmeier United States Courthouse."

Throughout his career in Congress, which began in 1959, Bob Kastenmeier was a champion of civil rights and civil liberties. He was a principal architect of the Civil Rights Act of 1964 and the Voting Rights Act of 1968. In the late 1970's, he spearheaded the passage of the Civil Rights of Institutionalized Persons Act. And in the 1980's, he strongly opposed former President Reagan's efforts to dismantle the Legal Services Corporation, instead pushing the Federal Government to provide legal aid to the poor. A former "Wisconsin Civil Libertarian of the Year," Bob fought for prison reform, privacy protection, and an enlightened criminal justice system.

Bob was responsible for a number of critically important measures, particularly in the intellectual property area, but he focused on judicial improvement throughout his entire career. Beginning in 1969, Bob chaired the House Judiciary Committee's subcommittee with jurisdiction over the Federal court system, where he rightfully earned his reputation as the architect of modern court reform. Indeed, Bob led the way on virtually every major court reform measure, from streamlining the existing method of judicial discipline to revamping the bankruptcy and magistrate systems.

Most recently, Bob played a key role in developing and perfecting the Judicial Improvements Act of 1990. This measure created additional judgeships, implemented various recommendations of the Federal Courts Study Committee, established a Federal commission to review the impeachment process and helped enhance efficiency in civil cases. Bob was also a long-time advocate of openness in the courts, and he fought tirelessly to allow broadcast media to cover Federal court proceedings. Last year, his work came to fruition, when the judiciary agreed to an experiment that will permit cameras and microphones into the Federal courts for the first time.

Judges from both sides of the ideological spectrum have recognized the contributions that Bob Kastenmeier has made to our system of justice. Former Chief Justice Warren Burger referred to Bob as "an outstanding supporter of the needs of the judicial branch." Chief Justice William Rehnquist characterized Bob as "a good friend of the judicial system." And Judge Abner Mikva accurately summed up Bob's legacy, calling him "probably the best friend the Federal judges have ever had on the Hill. Nobody up there has his knowledge, understanding, and sensitivity about the judiciary."

Bob received the American Judicature Society's 1988 Justice Award for improving the administration of justice. The State Bar of Wisconsin gave Bob the 1989 Public Understanding About the Law Award. Just last week, he received an award from the Conference of Chief Justices for his many contributions to improved State courts. Doubtlessly, he will receive many more awards—for his work on behalf of both the judiciary and the people of Wisconsin.

Bob Kastenmeier leaves behind an extraordinary record of public service and achievement. Dedicating this Federal courthouse to Bob will, in a small way, honor a man who was a consummate lawmaker in the finest sense of the word.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD at the end of this statement.

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

S. 366

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

SECTION 1. DESIGNATION.

The United States Courthouse located at 120 North Henry Street in Madison, Wisconsin, shall be known and designated as the "Robert W. Kastenmeier United States Courthouse".

SEC. 2. REFERENCES.

Any reference in a law, map, regulation, document, paper, or other record of the United States to the United States Courthouse referred to in section 1 shall be deemed to be a reference to the "Robert W. Kastenmeier United States Courthouse".•

By Mr. METZENBAUM (for himself, Mr. HATCH, Mr. KENNEDY, Mrs. KASSEBAUM, Mr. PELL, Mr. ADAMS, Mr. SIMON, Ms. MIKULSKI, and Mr. BINGAMAN):

S. 367. A bill to amend the Job Training Partnership Act to encourage a broader range of training and job placement for women, and for other purposes; to the Committee on Labor and Human Resources.

NONTRADITIONAL EMPLOYMENT FOR WOMEN ACT

• Mr. METZENBAUM. Mr. President, I rise to introduce the Nontraditional Employment for Women Act. The NEW Act is designed to promote a wider range of opportunities for women under the Job Training Partnership Act, the primary training program for economically disadvantaged youth and adults. I am very pleased that Senator HATCH is the leading cosponsor of this legislation which enjoys bipartisan support. Congressman GEORGE MILLER is introducing companion legislation in the House.

With the onset of the military buildup and war in the Persian Gulf, American women prove daily their ability to master nontraditional fields of work, including those jobs that are the most dangerous. But women have not been given this same opportunity to train and participate in nontraditional employment at home. Equal opportunity in employment may be the law of the land, but occupational segregation of the sexes is a fact of life. For example, women are 87 percent of data entry keyers and men are 87 percent of data processing equipment repairers. Not surprisingly, data entry keyers earn on average $290 per week while data processing equipment repairers earn on average $515 per week.

The reasons for occupational segregation are both varied and complex. Cultural stereotypes about the roles of men and women and the jobs they can and should perform still exist. Moreover, women who do chose to pursue nontraditional employment often are the victims of sexual harassment or more subtle forms of discrimination. Regrettably, Federal job training programs have contributed to the problem by often failing to overcome these stereotypes and biases. In far too many instances, our Federal job training programs, however unintentionally, are steering women into lower-paying traditionally female jobs. Government studies verify that women have not received their fair share of the training available under JTPA for the jobs that offer the best wages, benefits, and long-term earning potential.

The NEW Act will begin to correct this shortcoming in JTPA. It provides for greater opportunities for women to receive training and placement in construction, electronics, and other nontraditional and high paying fields of work. The bill will accomplish this objective in two ways. First, the NEW Act requires service delivery areas and States to include goals in their annual job training plans for training and placing women in nontraditional employment. Second the act creates a 4-year, $6 million demonstration program to foster the development of programs to train women for nontraditional employment.

This is not the first time that Senator HATCH and I have introduced the NEW Act in the Senate. During the 101st Congress, we introduced S. 975, which was unanimously adopted by the Senate on November 19, 1989. Subsequently, the House approved the NEW Act language as part of a larger bill addressing JTPA modifications. Unfortunately, that bill died at the end of the 101st Congress because House and Senate conferees were unable to resolve certain unrelated areas of difference under JTPA.

It is no secret that carpenters earn more than cashiers, and technicians earn more than typists. In addition,

that cashier or typist is more often than not supporting her entire family on her income. I hope that NEW will help women secure their fair share of the training they need for jobs with the best earning potential. This is modest but much-needed legislation for women and their families. I urge my colleagues to join Senator HATCH and me in supporting the NEW Act.

I ask unanimous consent that the text of the Nontraditional Employment for Women Act be printed in the RECORD.

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

S. 367

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nontraditional Employment for Women Act".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) over 7,000,000 families in the United States live in poverty, and over half of those families are single parent households headed by women;

(2) women stand to improve their economic security and independence through the training and other services offered under the Job Training Partnership Act;

(3) women participating under the Job Training Partnership Act tend to be enrolled in programs for traditionally female occupations;

(4) many of the Job Training Partnership Act programs that have low female enrollment levels are in fields of work that are nontraditional for women;

(5) employment in traditionally male occupations leads to higher wages, improved job security, and better long-range opportunities than employment in traditionally female-dominated fields;

(6) the long-term economic security of women is served by increasing nontraditional employment opportunities for women; and

(7) older women reentering the work force may have special needs in obtaining training and placement in occupations providing economic security.

(b) STATEMENT OF PURPOSE.—The purposes of this Act are—

(1) to encourage efforts by the Federal, State, and local levels of government aimed at providing a wider range of opportunities for women under the Job Training Partnership Act;

(2) to provide incentives to establish programs that will train, place, and retain women in nontraditional fields; and

(3) to facilitate coordination between the Job Training Partnership Act and the Carl D. Perkins Vocational and Applied Technology Education Act to maximize the effectiveness of resources available for training and placing women in nontraditional employment.

SEC. 3. DEFINITION.

Section 4 of the Job Training Partnership Act (hereinafter referred to as the "Act") is amended by adding at the end thereof the following new paragraph:

"(30) The term 'nontraditional employment' as applied to women refers to occupations or fields of work where women comprise less than 25 percent of the individuals employed in such occupation or field of work.".

SEC. 4. SERVICE DELIVERY AREA JOB TRAINING PLAN.

Section 104(b) of the Act is amended—

(1) by redesignating paragraphs (5), (6), (7), (8), (9), (10), and (11) as paragraphs (6), (7), (8), (9), (10), (11), and (12), respectively;

(2) by inserting after paragraph (4) the following new paragraph:

"(5) goals for—

"(A) the training of women in nontraditional employment; and

"(B) the training-related placement of women in nontraditional employment and apprenticeships;

and a description of efforts to be undertaken to accomplish such goals, including efforts to increase awareness of such training and placement opportunities;"; and

(3) in paragraph (12), as redesignated in paragraph (1) above, by—

(A) striking "and" at the end of subparagraph (B);

(B) striking the period at the end of subparagraph (C) and inserting in lieu thereof a semicolon; and

(C) adding after subparagraph (C) the following new subparagraphs:

"(D) the extent to which the service delivery area has met its goals for the training and training-related placement of women in nontraditional employment and apprenticeships; and

"(E) a statistical breakdown of women trained and placed in nontraditional occupations, including—

"(i) the type of training received, by occupation;

"(ii) whether the participant was placed in a job or apprenticeship, and, if so, the occupation and the wage at placement;

"(iii) the participant's age;

"(iv) the participant's race; and

"(v) information on retention of the participant in nontraditional employment.".

SEC. 5. GOVERNOR'S COORDINATION AND SPECIAL SERVICES PLAN.

(a) IN GENERAL.—Section 121(b) of the Act is amended by—

(1) redesignating paragraphs (3), (4), and (5) as paragraphs (4), (5), and (6), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

"(3) The plan shall include goals for—

"(A) the training of women in nontraditional employment through funds available under the Job Training Partnership Act, the Carl D. Perkins Vocational and Applied Technology Education Act, and other sources of Federal and State support;

"(B) the training-related placement of women in nontraditional employment and apprenticeships;

"(C) a description of efforts to be undertaken to accomplish such goals, including efforts to increase awareness of such training and placement opportunities; and

"(D) a description of efforts to coordinate activities provided pursuant to the Job Training Partnership Act and the Carl D. Perkins Vocational and Applied Technology Education Act to train and place women in nontraditional employment.".

(b) SPECIAL PROGRAMS.—Section 121(c) of the Act is amended by—

(1) redesignating paragraphs (9) and (10) as paragraphs (10) and (11), respectively; and

(2) inserting after paragraph (8) the following new paragraph:

"(9) providing programs and related services to encourage the recruitment of women for training, placement, and retention in nontraditional employment;".

SEC. 6. STATE JOB TRAINING COORDINATING COUNCIL.

Section 122(b) of the Act is amended by—

(1) redesignating paragraphs (5), (6), (7), and (8) as paragraphs (9), (10), (11), and (12), respectively; and

(2) inserting after paragraph (4) the following new paragraphs:

"(5) review the reports made pursuant to subparagraphs (D) and (E) of section 104(b)(12) and make recommendations for technical assistance and corrective action, based on the results of such reports;

"(6) prepare a summary of the reports made pursuant to subparagraphs (D) and (E) of section 104(b)(12) detailing promising service delivery approaches developed in each service delivery area for the training and placement of women in nontraditional occupations, and disseminate annually such summary to service delivery areas, service providers throughout the State, and the Secretary;

"(7) review the activities of the Governor to train, place, and retain women in nontraditional employment, including activities under section 123, prepare a summary of activities and an analysis of results, and disseminate annually such summary to service delivery areas, service providers throughout the State, and the Secretary;

"(8) consult with the sex equity coordinator established under section 111(b) of the Carl D. Perkins Vocational and Applied Technology Education Act, obtain from the sex equity coordinator a summary of activities and an analysis of results in training women in nontraditional employment under the Carl D. Perkins Vocational and Applied Technology Education Act, and disseminate annually such summary to service delivery areas, service providers throughout the State, and the Secretary;".

SEC. 7. STATE EDUCATION COORDINATION AND GRANTS.

(a) STATE EDUCATION COORDINATION AND GRANTS.—Section 123(a) of the Act is amended by—

(1) striking "and" at the end of paragraph (2);

(2) striking the period at the end of paragraph (3) and inserting in lieu thereof a semicolon and "and"; and

(3) inserting the following new paragraph at the end thereof:

"(4) to provide statewide coordinated approaches, including model programs, to train, place, and retain women in nontraditional employment.".

(b) USE OF FUNDS.—Section 123(c) is amended—

(1) in paragraph (2)(B) by striking "(1) and (3)" and inserting in lieu thereof "(1), (3), and (4)"; and

(2) in paragraph (3) by striking "(1) and (3)" and inserting in lieu thereof "(1), (3), and (4)".

SEC. 8. USE OF FUNDS.

Section 204 of the Act is amended by—

(1) redesignating paragraphs (27) and (28) as paragraphs (28) and (29), respectively; and

(2) inserting after paragraph (26) the following new paragraph:

"(27) outreach, to develop awareness of, and encourage participation in, education, training services, and work experience programs to assist women in obtaining nontraditional employment, and to facilitate the retention of women in nontraditional employment, including services at the site of training or employment,".

SEC. 9. DEMONSTRATION PROGRAMS.

Part D of title IV of the Act is amended by adding at the end thereof the following new section:

"DEMONSTRATION PROGRAMS

"SEC. 457. (a)(1) From funds available under this part for each of the fiscal years 1992, 1993, 1994, and 1995, the Secretary shall use $1,500,000 in each such fiscal year to make grants to States to develop demonstration and exemplary programs to train and place women in nontraditional employment.

"(2) The Secretary may award no more than 6 grants in each fiscal year.

"(b) In awarding grants pursuant to subsection (a), the Secretary shall consider—

"(1) the level of coordination between the Job Training Partnership Act and other resources available for training women in nontraditional employment;

"(2) the extent of private sector involvement in the development and implementation of training programs under the Job Training Partnership Act;

"(3) the extent to which the initiatives proposed by a State supplement or build upon existing efforts in a State to train and place women in nontraditional employment;

"(4) whether the proposed grant amount is sufficient to accomplish measurable goals;

"(5) the extent to which a State is prepared to disseminate information on its demonstration training programs; and

"(6) the extent to which a State is prepared to produce materials that allow for replication of such State's demonstration training programs.

"(c)(1) Each State receiving financial assistance pursuant to this section may use such funds to—

"(A) award grants to service providers in the State to train and otherwise prepare women for nontraditional employment;

"(B) award grants to service delivery areas that plan and demonstrate the ability to train, place, and retain women in nontraditional employment; and

"(C) award grants to service delivery areas on the basis of exceptional performance in training, placing, and retaining women in nontraditional employment.

"(2) Each State receiving financial assistance pursuant to subsection (c)(1)(A) may only award grants to—

"(A) community based organizations,

"(B) educational institutions, or

"(C) other service providers,

that have demonstrated success in occupational skills training.

"(3) Each State receiving financial assistance under this section shall ensure, to the extent possible, that grants are awarded for training, placing, and retaining women in growth occupations with increased wage potential.

"(4) Each State receiving financial assistance pursuant to subsection (c)(1)(B) or (c)(1)(C) may only award grants to service delivery areas that have demonstrated ability or exceptional performance in training, placing, and retaining women in nontraditional employment that is not attributable or related to the activities of any service provider awarded funds under subsection (c)(1)(A).

"(d) In any fiscal year in which a State receives a grant pursuant to this section such State may retain an amount not to exceed 10 percent of such grant to—

"(1) pay administrative costs,

"(2) facilitate the coordination of statewide approaches to training and placing women in nontraditional employment, or

"(3) provide technical assistance to service providers.

"(e) The Secretary shall provide for evaluation of the demonstration programs carried out pursuant to this section, including evaluation of the demonstration programs' effectiveness in—

"(1) preparing women for nontraditional employment, and

"(2) developing and replicating approaches to train and place women in nontraditional employment.".

SEC. 10. REPORT AND RECOMMENDATIONS.

(a) REPORT.—The Secretary of Labor shall report to the Congress within 5 years of the date of enactment of this Act on—

(1) the extent to which States and service delivery areas have succeeded in training, placing, and retaining women in nontraditional employment, together with a description of the efforts made and the results of such efforts; and

(2) the effectiveness of the demonstration programs established by section 457 of the Job Training Partnership Act in developing and replicating approaches to train and place women in nontraditional employment, including a summary of activities performed by grant recipients under the demonstration programs authorized by section 457 of the Job Training Partnership Act.

(b) RECOMMENDATIONS.—The report described in subsection (a) shall include recommendations on the need to continue, expand, or modify the demonstration programs established by section 457 of the Job Training Partnership Act, as well as recommendations for legislative and administrative changes necessary to increase nontraditional employment opportunities for women under the Job Training Partnership Act.

SEC. 11. DISCRIMINATION.

(a) For purposes of this legislation, nothing in this Act shall be construed to mean that Congress is taking a position on the issue of comparable worth.

(b) Nothing in this Act shall be construed to require, sanction or authorize discrimination in violation of title VII of the Civil Rights Act of 1964 or any other Federal law prohibiting discrimination on the basis of race, color, religion, sex, national origin, handicap, or age. No individual shall be excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in any program under this Act because of race, color, religion, sex, national origin, age, handicap, political affiliation or belief. Failure to meet the goals in the Act shall not itself constitute a violation of title VII of the Civil Rights Act of 1964 or any other Federal law prohibiting discrimination on the basis of race, color, religion, sex, national origin, handicap, or age.

SEC. 12. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect upon the date of enactment of this Act, except that the requirements imposed by sections 4, 5, and 6 of this Act shall apply to the plan or report filed or reviewed for program years beginning on or after July 1, 1992.•

By Mr. SARBANES (for himself, Mr. ROBB, Mr. WARNER, and Ms. MIKULSKI):

S. 368. A bill to prohibit the opening and closing of the Woodrow Wilson Memorial Bridge except during certain hours; to the Committee on Commerce, Science, and Transportation.

RESTRICTIONS ON WOODROW WILSON MEMORIAL BRIDGE

• Mr. SARBANES. Mr. President, today I am introducing, together with Senators ROBB, WARNER, and MIKULSKI, legislation to restrict openings of the Woodrow Wilson Bridge to the hours between midnight and 4 a.m., when vehicle traffic is at its lowest volume. The purpose of this legislation is to address a serious transportation problem and a potential traffic disaster at the bridge.

The Woodrow Wilson Bridge is a vital link in the transportation system of the National Capital region and the Interstate Highway System. Since it was first constructed some 30 years ago, traffic on the bridge has grown dramatically. Originally designed to carry 75,000 vehicles daily, it now averages over 160,000 vehicles a day, far exceeding the bridge's capacity. That is nearly 60 million vehicles a year! There is no reasonable alternative to this bridge for these motorists and the result is severe traffic congestion and frequent accidents. One of fifteen drawspans on the Nation's Interstate System, it is also one of the most heavily traveled bridges and one of the worst bottlenecks on the east coast.

The current drawbridge opening schedule and mechanical and electrical problems with the drawspan are exacerbating the problem and causing major headaches for commuters, interstate travelers and transportation officials. On June 26, 1990, the drawbridge was opened in midmorning to allow for passage of a single sailboat. The mechanical pins that lock the spans closed did not work properly due to an electrical short circuit. It took over an hour and a half to correct the situation. Meanwhile, traffic began to pile up in both directions on the interstate and its approaches in both Maryland and Virginia. On July 15, a similar event occurred, and the bridge could not be closed for 1 hour. I ask unanimous consent that two articles from the Washington Post on the bridge problem be included in the RECORD immediately following my statement.

Clearly, the District of Columbia, which is responsible for operating the drawspan, must fix the problem causing the recent mechanical failures. I want to acknowledge and commend the Secretary of Transportation for providing the District with funding to help repair the bridge's electrical system. But the fact is that any piece of machinery will fail on occasion. In the case of this particular bridge, with heavy traffic running all day and virtually all night, such failures cannot be tolerated, especially when the opening of the bridge is for only one or two boaters. One has to balance the impact to those few boats desiring to sail up the Potomac to Washington, DC, against the more than 160,000 vehicle each day on the eastern seaboard's

main north-south route. It should be pointed out that the bridge clearance allows passage of almost all of the boats which are docked on the Potomac upstream from the structure. Only boats mast or stack heights greater than 50 feet require an opening of the drawspan.

Commuters, State transportation directors and other officials have been urging the Coast Guard, which has jurisdiction over the drawbridge operating schedule, to reduce the window during which the bridge could be opened. On September 14, the Coast Guard and the Federal Highway Administration held a public hearing on the opening schedule. At that hearing, more than a dozen groups came out to testify about the serious impacts the current schedule was having on the regional economy, commuters, emergency services, and the local transportation network. The secretaries of transportation of Maryland and Virginia as well as the director of public works in the District of Columbia have joined together in calling for restrictions on openings to nighttime hours between midnight and 4 a.m. Our congressional delegation is united in support of these same restrictions. Yet, despite the overwhelming support for a more restrictive opening schedule on the bridge, there is still a broad window for passage of deep draft vessels.

Mr. President, each time the bridge opens it creates a traffic nightmare. The States of Maryland and Virginia and the District of Columbia, in cooperation with the Federal Highway Administration, are currently considering proposals for improving the Woodrow Wilson Bridge and to address the increasing volumes of traffic using the bridge. I am also joining Senator WARNER in introducing legislation to ensure that Federal funds are available to address traffic congestion problems on the interstate highways. While these efforts are underway however, it is unreasonable to allow major disruptions in interstate traffic for the convenience of a very few boats. My bill would not permanently prohibit the opening and closing of the bridge. It simply strikes a much more reasonable balance in addressing the needs of all modes of transportation by permitting openings only during the period of midnight to 4 a.m., when highway traffic is at its lowest volume. The legislation also permits the bridge to be opened during periods of emergency as designated by the Secretary of Transportation. I urge my colleagues to join me in supporting this legislation.

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

[From the Washington Post, July 16, 1990]

BRIDGE MALFUNCTION SNARLS TRAFFIC

(By Dan Beyers)

The Woodrow Wilson Bridge yesterday proved again why it is one of the area's worst bottlenecks when an electrical short prevented a raised span from closing for more than an hour, backing up Sunday traffic on Interstate 95 for several miles on both sides of the bridge.

Shortly after 1:30 p.m., the drawbridge was raised to accommodate a passing sailboat on the Potomac River. When bridge workers tried to lower and lock the span back into place, an electrical short blacked out the control panel, said George Schoene, chief traffic engineer for the D.C. Department of Public Works.

An electrician was called to the scene, and power to the panel was restored about 2:45 p.m., Schoene said. Maryland and Virginia state police said traffic was backed up for more than two miles in either direction.

Schoene said he has not determined whether the short is related to an electrical malfunction in June that kept the raised drawbridge stuck for more than 80 minutes.

The drawbridge is raised about 400 times a year, most frequently in summer, when more boats and ships are on the water, Schoene said. The span had been opened at least once yesterday before the afternoon malfunction.

Raising and lowering the span typically takes about seven minutes, Schoene said.

The drawbridge and the traffic tie-ups it causes are among reasons federal and local officials want to replace the crossing between Alexandria and Prince George's County with a wider and higher bridge.

Proposals submitted so far have been deemed too costly or unsightly. Also to be resolved is where to put the bridge. An alignment just south of the current span would pass through wetlands and near some expensive real estate.

[From the Washington Post, July 17, 1990]

BRIDGE PROBLEM: VIBRATIONS

(By Stephen C. Fehr)

Mysterious vibrations are contributing to electrical problems that have caused a rash of recent delays for traffic on the Woodrow Wilson Bridge, officials said yesterday.

District public works officials, who are responsible for bridge operations, thought they had fixed years of electrical problems with the busy bridge when they rewired the Wilson last year.

Now a new gremlin has appeared. George W. Schoene, the city's chief traffic engineer, said the problem starts with unexplained vibrations that are damaging the new wiring.

The bridge carrying the Capital Beltway over the Potomac River between Alexandria and Prince George's County is the Washington area's worst traffic bottleneck, designed for 75,000 vehicles a day but actually crossed by some 160,000.

Twice on Sunday, the bridge was closed because of problems with the 222-foot movable drawspan. Early in the afternoon, the bridge stuck in the open position for 75 minutes and hundreds of cars backed up for two miles in both directions. Later in the day, traffic was delayed a second time when it took about 20 minutes to close the bridge.

The span is raised 400 times a year to allow tall vessels using the channel to pass through.

The drawspan also stuck open on June 26, causing long backups of traffic in both directions and calling more attention to the bridge just as federal and state officials concluded a year long contest among five engineering firms to suggest concepts for a new bridge.

But a new bridge is years away.

Schoene explained the electrical power to the drawspan is carried by wiring housed in insulated conduit. The conduit is fastened along the bridge by a series of nuts, he said.

Movement shakes loose the nuts and the conduit, causing the wiring to sag in places. That creates stress on the wiring and eventually the wire wears through or its connections pull apart and the system shorts out, Schoene said.

When the drawspan is up and a short occurs—as was the case in the recent mishaps—officials have no choice but to close the span manually, which takes about 20 minutes. Normally it takes an average of eight minutes for the bridge to open, a ship to pass through and the bridge to close.

Engineers have no idea what is causing the vibration, whether it is traffice, water action, wind or some other cause. Schoene and other engineers spent much of yesterday trying to identify the problem and determine whether to call in an outside expert.

Until a solution is found, he said, he is considering asking the Coast Guard to put restrictions on the time and frequency of the drawspan openings. Alexandria mayor James P. Moran Jr. has scheduled a meeting today with Coast Guard and Federal Highway Administration officials to discuss the problem.•

By Mr. WARNER (for himself and Mr. SARBANES):

S. 369. A bill to amend title 23, United States Code, to establish a program for expanding the capacity of heavily traveled portions of the National System of Interstate and Defense Highways located in the urbanized areas with a population of 50,000 or more for the purposes of reducing traffic congestion, improving safety, and increasing the efficiency of the system; to the Committee on Environment and Public Works.

GRIDLOCK RELIEF FOR INTERSTATE HIGHWAYS

• Mr. WARNER. Mr. President, today I am introducing legislation that will help urban and surbran areas of the country cope with increasing levels of traffic congestion on the Federal Interstate System. Our colleague, Congressman FRANK WOLF, will introduce an identical bill in the House of Representatives.

Urban and suburban segments of the Federal Highway System have become increasingly congested as traffic volume has increased beyond expectations. In many areas, the system is simply breaking down under huge loads of traffic.

The legislation we are introducing would create a new category of Federal highway funding to expand the capacity of heavily traveled portions of the Federal Interstate Highway System located in suburban and urban areas of the country. Beginning in fiscal year 1993, $2 billion a year for 4 years would be made available nationwide for this new program.

Funds authorized under our legislation could also be used for construction of noise walls or other sound abatement devices, acquisition of rights-of-way for construction of mass transit facilities, and acquisition of land for park-and-ride-type facilities.

The type of funding program we have proposed is desperately needed throughout the Nation. The Transportation 2020 Program held a series of 65 forums across the country to discuss the future of the Federal Highway Program. Witness after witness in State after State testified about the critical transportation problems that urban and suburban areas are facing.

In metropolitan areas all over the country, interstate highways approach complete gridlock during peak travel periods. The result is that commuters cannot get to work and interstate commerce cannot flow. That translates into reduced productivity, lost income, and time and money ill-spent.

Funds provided under this legislation could be used to widen interstates where traffic overloads occur daily during rush hours. Bottlenecks could be widened or even double-decked.

Our legislation addresses these critical problems by directing Federal funds to the areas of the country where traffic congestion has virtually closed-down the Federal Interstate Highway System.

Funds would be allocated to the States based on a formula which gives preference to urban/suburban areas with high levels of traffic congestion on the Interstate System. Rural areas of the country, however, would not be adversely affected because the Federal Interstate Construction Program is nearly complete and our legislation does not affect other highway funding categories.

The Interstate System started in 1965 is nearly complete and the current highway program is scheduled to end in 1992. We must begin now to look at changes that need to be made to address our Nation's transportation needs. In the next 2 years Northern Virginia, Tidewater Virginia, and other urban/suburban areas of the country face tremendous needs in the area of transportation improvements. Our legislation addresses these needs in a way that will bring relief not only to Northern Virginia, but to other regions of the country as well without penalizing rural or less populated areas.

By introducing this legislation, we do not intend to overlook or underestimate the problem facing less urbanized sections of Virginia or the Nation. I intend to work diligently to see that those needs are addressed as well. This bill provides an important starting point for discussion of ways to address one particular aspect of our transportation problem as Federal, State, and local representatives and highway users begin reviewing the Federal-aid Highway Program over the next 2 years.

It is my intention to work with my colleagues, the States, localities, highway user groups, and other interested parties to address other vital transportation needs.

As the hearings begin in the Senate on the Nation's transportation needs in the postinterstate period, these same parties will focus on what form any new highway program should take. If there is to be a new Federal-aid Highway Program to replace the current program which will soon expire, it is vital that expanding urban interstate capacity be a key component of such legislation.

I urge members to support this legislation.•

By Mr. ROTH:

S. 370. A bill to prohibit revenue recovery firms and certain auditors from receiving compensation on a percentage of findings basis, and for other purposes; to the Committee on Labor and Human Resources.

FAIR AUDITING ACT

• Mr. ROTH. Mr. President, spending for health care services in the United States now exceeds over one-half a trillion dollars, or $660 billion, constituting 13.5 percent of our gross national product. As for the Federal Government, over 15 percent of the budget goes toward health spending. Health care costs continue to rise at a rate much higher than that of inflation. Medical costs grew 10.5 percent from 1987 to 1988, and 11.1 percent from 1988 to 1989. The costs of hospital care are the largest component, comprising nearly 40 percent of the mammoth figure. Today, I am reintroducing a bill to help limit these rapidly rising costs.

Of course, rising health care costs affect virtually every American, because we all need professional health care at one time or another. Moreover, even if you are perfectly healthy, rising health care costs affect you as a Federal taxpayer, because the Federal Government funds approximately 30 percent of all health care spending in our Nation.

Last year, the Permanent Subcommittee on Investigations, on which I serve as ranking member, held hearings on a relatively new and rapidly expanding type of business, known as revenue recovery. Revenue recovery firms are companies which contract with hospitals to recover money owed the hospital for services rendered but not billed. These companies operate nationwide. PSI heard evidence that some of these companies were conducting unfair audits on medical bills. Many of the audits embellished unbilled charges while down playing, or ignoring, the instances where the hospital had charged too much. In short, too often revenue recovery firms are not presenting a clean, fair bill.

The hearing revealed many aspects of revenue recovery practices that were less than ethical, but the one key feature that disturbs me is their compensation system. Most revenue recovery firms are compensated for their audits with a percentage of the so-called lost charges they recover for the hospital. Therefore, they have a vested interest in the results of their audits. I am concerned about the incentives to cheat which are created by the contingency fee arrangements under which many revenue recovery firms operate. I am equally concerned about insurance company auditors who are paid a percentage of what they are able to knock off a hospital bill. Both arrangements potentially affect the impartiality and independence of the auditor.

My bill, which is called the Fair Auditing Act of 1991, does away with percentage-based reimbursement for auditors. The bill requires the Secretary of Health and Human Services to promulgate regulations to prohibit any hospital, medical clinic or insurance company from paying their auditors on a percentage-based compensation system. It is a simple concept, but it does away with biased auditing by either health care providers or insurers.

Now I recognize there is a legitimate role for medical auditors whether they work for insurers or hospitals. I certainly don't suggest that every company involved in the revenue recovery business is operating improperly. Indeed, several major accounting firms have revenue recovery sidelines, although I should add that the business practices of these accounting firms differ considerably from the practices of the revenue recovery firms which were the subject of the PSI hearings. Moreover, many hospitals are facing difficult financial times, and they deserve every penny which is honestly owed them.

The Federal Government pays more than $8 billion per year as its share of health insurance premiums for Federal workers. Those premiums are experience based. That is, if the insurance companies' pay outs increase, the premiums they charge increase. Moreover, the long-standing battle betweeen health providers and health insurers carries with it heavy administrative costs. And who do you think ends up paying the price for these two sides to battle it out? The effect is ultimately the same, whether insurance companies or patients are being gouged. It drives up costs. In the end, you can bet that it is the consumer who feels the pinch, whether it is through an inflated hospital bill or an inflated premium.

I want to repeat the hope which I expressed last year that these two industries will synchronize their opposing energies and regulate themselves. I have been in touch with the American Hospital Association, the Health Insurance Association of America and the Healthcare Financial Management Association, urging that they work together to formulate medical auditing guidelines. I believe this approach is preferable to compulsory legislation. I know that these groups have held several meetings and are planning future meetings in an attempt to develop in-

dustry guidelines which address the problems revealed by PSI's investigation. I hope these efforts succeed. If they do not, this legislation is necessary.●

By Mr. CHAFEE (for himself and Mr. PELL):

S. 371. A bill to extend the time for payment of certain taxes under the internal revenue laws for taxpayers in States in which one-third or more of the depository institutions have been simultaneously closed for a period of at least 5 days; to the Committee on Finance.

S. 372. A bill to authorize the Secretary of the Treasury to establish an emergency loan assistance program to provide financial assistance to States that have experienced a large number of financial institution failures; to the Committee on Banking, Housing, and Urban Affairs.

S. 373. A bill to amend the Internal Revenue Code of 1986 to allow the issuance of depositor protection tax-exempt bonds; to the Committee on Finance.

RHODE ISLAND FINANCIAL INSTITUTIONS LEGISLATION

Mr. CHAFEE. Mr. President, today I am introducing a package of three bills designed to help resolve the terrible financial institutions crisis that is currently gripping Rhode Island.

One month ago, on New Year's Day, the newly inaugurated Governor of Rhode Island declared a "banking emergency" in our State. Forty-five financial institutions were forced to close—35 credit unions, and 10 banks. In total, nearly $1.8 billion in assets were impounded. Nearly one-quarter of all Rhode Islanders, 250,000 citizens, had their personal accounts frozen.

What happened in Rhode Island? Our State is 1 of 20 that allow financial institutions to operate without Federal deposit insurance coverage. The Rhode Island Share and Deposit Insurance Corp. [RISDIC] was a scandalously mismanaged private deposit insurer that was weakened considerably when forced to take over one of its ailing institutions in November 1990. By New Year's Day, the RISDIC reserve fund was exhausted, leaving thousands of depositors unprotected and forcing the Governor to close down the 45 uninsured institutions.

A great deal of finger-pointing is taking place at home in Rhode Island. Investigations are underway. Reports are being written, and there is plenty of blame to go around. The RISDIC board of directors, the Rhode Island State legislators, the State regulators, officials at the closed institutions themselves, those who manage the institutions, or mismanaged them in many instances, must all bear part of the responsibility for this banking and credit union calamity.

It is not my job to assign fault. My primary concern is to help the innocent depositors who are the unfortunate victims of this crisis, and to ensure that assistance is available for those facing similar problems in other States in the future.

I have a package of bills. But the first bill is the Rhode Island Depositor Tax Relief Act, which is designed to provide temporary tax relief to Rhode Islanders so they might get through this hardship period. The second is the Financial Assistance to Institutions Reform Act, the FAIR Act, which would direct the U.S. Treasury Department to provide emergency loans to States that have been affected by the collapse of a non-Federal deposit insurance fund. The third piece of legislation is the Qualified Depositor Protection Bond Act to allow a State's private deposit insurance fund for State chartered financial institutions to issue tax-exempt bonds.

Let me explain how each of these work. Let us start with the Rhode Island Depositor Relief Act. It is straightforward. It is a Federal tax relief bill. It would provide temporary relief to individuals and to businesses in Rhode Island that are unable to gain access to funds frozen in closed institutions.

Under this act, those individuals and businesses would have the option to defer the payment of their remaining 1990 and their 1991 income tax liability until the earlier of April 15, 1992, 30 days after the institution reopens, or the depositor is made whole by the State of Rhode Island. The amount of tax that may be deferred is limited to the amount of funds that are not available because of the banking emergency. In other words, your relief is limited to the amount of funds that are in one of these institutions where the accounts are frozen. For example, if an individual has $25 in a closed credit union, that person may defer only $25 of his or her taxes, not a penny more.

The tax relief provided for 1990 allows a business or individual to defer the payment of the remaining portion of their 1990 Federal income tax liability. For most individuals and businesses, the amount that may be deferred for 1990 would be the amount of the tax due, if any, on that individual's personal income tax return or the business return, after subtracting any previous tax amounts that have already been paid for 1990.

Let us see how it works for 1991. The tax relief for 1991 would allow an individual to be exempt from the employer withholding rules for the Federal income tax. This exemption would eliminate the employer withholding of the income tax and, thus, allow people to receive the full amount of their salary before income taxes. In addition, all estimated tax payment requirements and penalties would be waived until April 15, 1992, or 30 days after the depository institution reopens, whichever was the earlier.

This is not a Federal handout. All deferred taxes would have to be paid to the Internal Revenue Service by the earlier of April 15, 1992, or 30 days after the institution reopens, or the depositors are made whole by the State. This bill would simply grant some forebearance to those Rhode Islanders most harmed by the State's banking crisis.

The second bill, the so-called FAIR Act, would establish a $500 million emergency low-interest loan fund at the Treasury Department to provide financial disaster assistance to States where a nonfederally insured deposit corporation has folded, has become insolvent.

In order to establish this loan fund, the U.S. Department of Treasury would be directed to issue up to $500 million in bonds and notes. This pool of capital would be made available on a competitive basis to qualifying States up to $150 million per State. So the total fund is $500 million; the maximum to one State is $150 million, to help State governments replenish depositors' accounts up to $100,000 at those closed institutions, banks, or credit unions.

States would then repay the loan over a 10-year period at a slightly reduced interest rate. To be eligible for a loan through the FAIR Act, the State would be required to submit a comprehensive financial institutions reorganization plan that must be approved by the Secretary of the Treasury. The Secretary will have the discretion to accept or to modify any plan submitted to his department as a condition of the loan. The Secretary could deny any application, if the Secretary deems that the State is unable to fulfill the terms of the loan.

Moreover, financial institutions that are allowed to reopen or merge with other insititutions under the approved plan would be required to secure Federal insurance coverage either through the National Credit Union Administration [NCUA] or through the Federal Deposit Insurance Corporation [FDIC].

To receive this loan from the Federal Government, the State would require that those reopening institutions secure Federal insurance coverage. We in Rhode Island are not going back to this private insurance business anymore.

I have been in touch with the Governor of Rhode Island to discuss this FAIR Act. I have asked him and his staff to evaluate just how helpful such a loan program could be to States suffering from the shock and economic hardship of a collapsed insurance fund. Here is what I was told:

The State governments around the Nation are tightening their belts. At least 29 States, from California to Massachusetts, will run a deficit in 1991. Revenues are falling and services are

growing. Now add to this bleak forecast the potential collapse of a deposit insurance fund and you can see the difficulties, deep difficulties that will be faced by a State confronting that situation Where does a financially strapped State, already operating in the red, come up with $50 million or $150 million to ensure that its economy does not collapse?

It is such a desperate scenario that confronts Rhode Island today, and could hit any number of States down the road. According to the Congressional Research Service, at least 20 States allow nonfederally backed insurance corporations to guarantee depositors' accounts.

If there is one message I could send out to every one of those States today, it would be to their regulators to check those insurance funds and see if they are solid. See if they can take and endure the failure of one of their institutions. But more importantly, check the institutions. How solid are those institutions? Those that are not solid, close them before they get into further difficulties, so that they are not confronted with the situation that we currently face in Rhode Island where whole series of factors led to the extremely desperate situation that currently exists.

The FAIR Act would provide short term bridge loans to State that are confronted with such troubles. The Federal Government would receive all of the principle as well as the interest back. In the meantime, State governments would avoid draconian economic measures that would cause total chaos and perhaps in some extreme cases, bankruptcy, to the States.

The Fair Act provides a number of benefits:

First, it provides swift infusion of capital moneys. Second, States would be able to borrow at a lower rate than the Federal Government is issuing its notes or bonds which, to start with, are at a lower rate than most States would be able to issue with State bonds.

The third bill, the Qualified Depositors Protection Bond Act of 1991, would allow a State or any agency of a State to issue tax-exempt qualified depositor protection bonds.

What I am trying to do with these series of bills is to come up with measures that can be helpful to the State. They can make a choice of how to proceed: FAIR allows States to secure Federal loans at a reduced rate; and the other is for the State to issue tax-exempt bonds.

The problem is that for a State to issue tax-exempt general revenue bonds, those bonds must be used for general purposes. The difficulty we encounter with general purpose bonds is that these bonds must be used to pay off private depositors, and thus you run into the question: are those general purpose bonds or are they for private purposes, namely to reimburse the depositors of these closed institutions and thus not tax exempt?

So under this legislation the proceeds of these tax-exempt bonds would be used to provide funds to repay depositors in insolvent financial institutions and to assist those financial institutions to reopen with deposit insurance from the FDIC or the NCUA.

One option being considered by my State of Rhode Island for dealing with its current crisis is the issuance of bonds to provide funds for assisting those institutions that remain closed. These bonds would not be tax exempt under the Internal Revenue Code for the reasons I mentioned since they would not be for a qualified private activity. In other words, bonds can currently be considered tax exempt if they are used for certain limited private purposes such as industrial development, or waste treatment plants, for example, that in some instances might even be privately run.

I believe bonds issued to protect the financial institutions that have closed as a result of the failure of a State private deposit insurance fund such as occurred in our State, actually serve a critical public service and should receive the same tax treatment as public-purpose bonds.

Under my bill, a new type of qualified, private-activity, tax-exempt bond would be added to the Internal Revenue Code. These bonds could only be issued by States, such as Rhode Island, in which the State private deposit insurance fund has failed and a large number of State chartered financial institutions have been unable to reopen for an extended period of time.

It only applies to very narrow situations. We are not going to be flooding the markets with this type of bond.

The ability to issue tax-exempt bonds is very important during a financial crisis, such as the one currently being experienced in Rhode Island. Without this new type of tax-exempt bond, the cost of issuing taxable bonds to assist the depositors in my home State could be prohibitively expensive. In fact, the State might not be able to obtain financing without these new rules, and that would be disastrous.

The three bills that I have introduced today would provide a helping hand to innocent depositors who are harmed by the collapse of a privately insured deposit company. It is not a giveaway, and it is certainly not a Federal bailout.

The bills represent a temporary assistance package to help wronged depositors weather a very difficult period in their lives.

I might say, I think it is hard for many people to understand the effect of having one's account, one's money, in a closed bank or credit union. It is something that most citizens have not experienced since 1933—in the midst of the Great Depression—when the national bank holiday was declared by President Roosevelt. Rhode Island suffered a banking crisis of that magnitude. Today, 15 of our financial institutions remains closed. More than 150,000 depositors are entering their second month without access to their savings and checking accounts. It is a terrible situation.

I urge my colleagues to consider carefully these three modest proposals. Now I might say that Congress in the past has shown a willingness to lend a hand to those States affected by natural disasters. And we all know what they are—when floods occur, when hurricanes take place, as took place on the southeastern coast of the United States. When earthquakes take place on the west coast, when volcanic eruptions occur in the State of Washington Congress responds.

Congress has also demonstrated its willingness to provide temporary financial assistance in cases of severe economic distress such as the city of New York, the Chrysler Corp., and the Lockheed Corp. In each of those instances, the Federal Government through the Congress responded.

Helping States in times of tremendous economic turmoil is in the best interest of our Nation. Under these bills, the Federal Government would be repaid. It is no giveaway.

The first bill provides for a temporary deferment for the individual taxpayer because his or her moneys are tied up in a financial institution where the accounts have been frozen.

The second one provides a temporary low-interest loan from the Federal Government, not more than $150 million, to a State that is going to help depositors at these troubled institutions.

The final bill would permit the States to issue bonds even though they are for a private purpose, namely helping the depositors or helping institutions. Those bonds, would be tax exempt, and thus could be issued for the lower rate of interest.

I hope my colleagues will take a good look at these modest proposals, and join with me and Senator PELL in working for their enactment.

Mr. PELL. Mr. President, today I am pleased to cosponsor three bills introducted by my colleague from Rhode Island, Senator JOHN CHAFEE. These important bills are intended to reduce the devastating effect that the current banking crisis in Rhode Island is having on thousands of Rhode Islanders with deposits that remain frozen in closed depository institutions.

On January 1, Gov. Bruce Sundlun was forced to close 45 Rhode Island banks and depository institutions after the failure of the Rhode Island Share and Deposit Insurance Corp., the private insurer that backed the deposits of these institutions. Since that time,

Governor Sundlun has managed to reopen most of the closed institutions, but 15 remain closed and the deposits contained in these institutions remain frozen.

Yesterday, I introduced the Rhode Island Banking Crisis Assistance Act, a bill to help small businesses in Rhode Island and other States that have been struck by a large-scale banking crisis. I was joined in introducing this bill by Senator CHAFEE. The Rhode Island Banking Crisis Assistance Act was authored and introduced by Congressman RONALD MACHTLEY in the House of Representatives and cosponsored by Congressman JACK REED.

These three bill introduced by Senator CHAFEE if enacted, will help Rhode Island recover from this financial disaster. I am glad to be cosponsing them. The first bill would provide Federal tax relief to those Rhode Islanders who have assets frozen in a closed depository institutions. The second bill would provide emergency Federal loan assistance to Rhode Island and any other State that experiences a large-scale closing of financial institutions similar to the situation in Rhode Island. The third bill would allow Rhode Island or any other State caught in a similar situation to issue tax free bonds for the purpose of raising money to repay the depositors of closed depository institutions.

It is my hope that these bills will eventually provide some measure of relief to those whose lives have been turned into a nightmare by the failure of institutions that were once trusted members of the community.

By Mr. COHEN (for himself and Mr. MITCHELL):

S. 374. A bill to settle all claims of the Aroostook Band of Micmacs resulting from the band's omission from the Maine Indian Claims Settlement Act of 1980, and for other purposes; to the Select Committee on Indian Affairs.

AROOSTOOK BAND OF MICMACS SETTLEMENT ACT

Mr. COHEN. Mr. President, I am pleased to be reintroducing, along with my colleague Senator MITCHELL and the other members of the Maine congressional delegation, legislation that was approved unanimously by the Senate last year. This bill, the Aroostook Band of Micmacs Settlement Act, will bring fair treatment to the Aroostook Band of Micmacs and will afford them access to Federal services that are desperately needed by tribal members.

The Micmacs are a small tribe located in northern Maine, whose principal livelihood is gained through basketmaking and seasonal agricultural labor. They are an extremely poor tribe, with very high alcoholism and high school dropout rates. Despite these problems, there are few programs available to assist them in addressing their needs.

The bill being reintroduced today grants Federal recognition to the Aroostook Band of Micmacs as the sole successor to the aboriginal entity known as the Micmac Nation. It also authorizes $900,000 for the establishment of a land trust fund for the band. These two provisions will make the band members eligible for a host of Federal services through the Bureau of Indian Affairs and the Indian Health Service, and will provide them the wherewithal to begin to acquire land for tribal use as a reservation and for investment purposes.

The bill we are introducing does not amend the 1980 Maine Indian Claims Settlement Act, and we do not intend that any of the issues covered in that landmark legislation be reopened or reconsidered. The purpose of the Micmac settlement legislation is to bring some fairness to the unfortunate situation the tribe faces, whereby there are no programs available to help it deal with the poverty and lack of education among tribal members. Exclusion from the 1980 MICSA prohibits the tribe from being eligible for crucial tribal services provided by the BIA. In addition, State Indian assistance programs were terminated following passage of the 1980 Act, thus eliminating a source of funding long used by the tribe.

Yet the Micmacs continue to live as a tribe in Maine and have strived to maintain a tribal identity against great odds. Unemployment among the tribe runs at 75 percent, and approximately 60 percent of the tribe live on less than $5,000 per year. I hope that through passage of this legislation we will be able to provide tribal members some relief from these conditions.

The Micmacs believed they would be included in the 1980 settlement bill, but they found out after its passage that no mention was made of a Micmac claim. The historical claim that was necessary for consideration at that time was not completed; all energy and funds were directed at documenting the claim of the Houlton Band of Maliseets, who were included in the final settlement.

Historical evidence uncovered since 1980 by the Micmacs, assisted by anthropologist Harald Prins and other researchers funded through church groups and philanthropical organizations, has demonstrated that the claim of a historical presence of Micmacs in Maine and the existence of aboriginal lands in Maine used by the Micmacs jointly with other tribes has some validity.

With that in mind, the Maine congressional delegation is supporting legislation that treats the Aroostook Band of Micmacs in a manner similar to that accorded the Houlton Band of Maliseets in 1980. The historical presence of the two tribes is similar and the Micmacs no doubt would have been treated equally had both claims been put forward during deliberations on MICSA.

In 1989, the Maine State Legislature approved legislation to implement the provisions of Federal law regarding the purchase of State lands for the Micmacs. This occurred with no controversy, and the legislation was introduced by a bipartisan group of lawmakers representing Aroostook County. The legislature also approved a resolution urging the Congress to take action on the Micmac claim.

In addition, the Maine attorney general's office has expressed its full support for this legislation.

I hope that we can move forward quickly to review the bill being introduced today, as it is identical to that approved by the Senate in the last Congress. I hope my colleagues will agree that we should provide the Micmacs with the assistance they so greatly need.

Mr. MITCHELL. Mr. President, I am pleased to join my colleague from Maine, Senator COHEN, as well as the other members of the Maine delegation today, in introducing legislation which will effectively settle all claims of the Aroostook Band of Micmacs and enable them to have access to the services the Federal Government makes available to all other recognized bands of native Americans.

The Micmacs exclusion from the 1980 Maine Indian Claims Settlement Act has left them in a situation where they have no State Indian assistance and are ineligible for Federal assistance. The bill we are introducing today would establish the historical presence of the Micmacs in Maine and provide Federal recognition to the band.

The legislation also provides for $900,000 to be placed in a land acquisition fund and property tax fund to allow the Micmacs to purchase land and to pay taxes on that land to the State of Maine.

The Aroostook Band of Micmacs, in both its history and its presence in Maine, is similar to the Houlton Band of Maliseet Indians. This bill will grant the Aroostook Bank of Micmacs the same settlement provided to the Houlton Band of Maliseets 3 years ago. The Maine State legislature has already approved legislation to implement the provisions of Federal law regarding the purchase of State lands for the Micmacs, as well as a resolution urging the Congress to take action on the band's claim.

Identical legislation was passed by the Senate last year by voice vote. Unfortunately, the House failed to complete action on the legislation last year, and therefore, the Micmacs have spent another year in their predicament. Enactment of this legislation will enable the Aroostook Band of Micmacs to establish a much needed land base in Maine and grant them the same status as other tribes and lands

accorded Federal recognition under the terms of the Maine Indian Claims Settlement Act of 1980. I urge my colleagues to act swiftly on this legislation to ensure that the Micmacs rise above the quagmire they find themselves in today.

By Mr. GORTON:

S. 375. A bill to authorize the Secretary of Agriculture to construct buildings and related facilities on federally owned land in Skagit County, WA, for plant materials purposes; to the Committee on Agriculture, Nutrition, and Forestry.

PLANT MATERIALS CENTER DEVELOPMENT ACT

• Mr. GORTON. Mr. President, today I am introducing the Plant Materials Center Development Act of 1991. This is a bill to authorize the Secretary of Agriculture to construct a plant materials research center in Skagit County, WA.

The 1982 Supplemental Appropriations Act authorized the Soil Conservation Service [SCS] in Washington State to exchange land which was becoming increasingly urban at the Bellingham plant materials center for more rural land in Skagit County. The land for land exchange was clearly in the best interest of the SCS as the rural land was better suited for plant materials purposes.

In addition to new land, SCS also received $451,300 as part of the exchange. These funds SCS intended to use to construct a new plant materials center on the acquired land. Unfortunately, while the 1982 supplemental appropriations bill allowed SCS to receive these funds, it did not provide the Soil Conservation Services with the authority to expend them. This was simply an oversight. As a result, these funds have been sitting idle for 9 years while vital plant materials research has not been performed.

The Plant Materials Center Development Act of 1991 will provide the Soil Conservation Service with authority to expend funds which were acquired as part of the land exchange and thereby will allow for the construction of a new plant materials center in Skagit County, WA.

This bill had the support of my colleagues during last session when it was accepted as an amendment to H.R. 2567. That bill, however, did not pass the House. I hope this year my colleagues again will recognize the importance of this facility and support the passage of the Plant Materials Center Development Act of 1991.•

By Mr. GORTON:

S. 376. A bill to convey certain property to Sunnyside Valley Irrigation District; to the Committee on Energy and Natural Resources.

CONVEYANCE OF CERTAIN PROPERTY

• Mr. GORTON. Mr. President, today I introduce a bill to authorize the Secretary of the Interior to execute a statutory land transfer with the Sunnyside Valley Irrigation District in central Washington State.

In March 1990, work was completed on a new office building for the Sunnyside Valley Irrigation District. The building was paid for entirely with Sunnyside Valley Irrigation District funds.

The new office replaced a building which was constructed in 1908 and served as a field office for the Bureau of Reclamation until 1945. At that time it was part of the works and facilities transferred to the Sunnyside Valley Irrigation District for operation and maintenance. The Sunnyside Valley Irrigation District was organized in 1917 for the purpose of entering into a repayment contract with the Bureau of Reclamation. The contract was paid out in 1952.

Mr. President, it is my understanding that the sale of the old office building and property will be used to offset the cost of building the new office. Since the Government's initial investment has been repaid, this bill will not cost the Federal Government.

This bill was accepted last year as an amendment to H.R. 2567 in the House of Representatives. In the Senate, it was accepted as an amendment to H.R. 2567. It has the support of the entire Congress. I encourage my colleagues to again accept this important land transfer.•

By Mrs. KASSEBAUM (for herself and Mr. DOLE):

S. 377. A bill to amend the International Air Transportation Competition Act of 1979; to the Committee on Commerce, Science, and Transportation.

REPEAL OF SECTION 29 OF THE AIR TRANSPORTATION COMPETITION ACT OF 1979

Mrs. KASSEBAUM. Mr. President, the distinguished Republican leader, Senator DOLE, joins with me today in offering this bill to address an injustice that has developed out of current law. The bill would repeal a restriction in the International Air Transportation Competition Act of 1979 pertaining to air carrier service at Dallas Love Field. There is now broad recognition of the anticompetitive situation that has developed because of this section of law, and it is our intent to resolve the unfairness of this situation.

The restriction which this bill seeks to repeal as originally passed in 1980 to protect the then relatively new Dallas-Fort Worth International Airport [DFW] and ensure that commercial air carriers moved from Love Field to the new airport. Today DFW is the third busiest airport in the country. The gates at DFW are full, and planes wait in long lines for takeoff. It is clear that DFW has reached a point where it no longer needs to be protected from competition.

Under current law, commercial air carriers are prohibited from providing service between Dallas Love Field and points located outside of Texas or its four surrounding States. This effectively limits travel into and out of this airfield to destinations only in Texas, Louisiana, Oklahoma, Arkansas, and New Mexico. Flights originating from any other State must fly into the Dallas-Fort Worth airport in order to have access to the highly traveled Dallas area. This limitation on flights into Love Field is arbitrary and, in many cases, forces passengers to pay artificial and unreasonably high air fares. Moreover, the restriction causes unnecessary delay and inconvenience for passengers attempting to fly into or out of Love Field from cities outside Texas and its four contiguous States.

The criteria the current law uses to restrict flights into Love Field, that a flight must originate in Texas or one of its contiguous States, is not based on any standard appropriate for the airline industry. Today, planes are allowed to fly directly from Love Field to El Paso which is 576 miles from Dallas or to Albuquerque which is 594 miles from Dallas. Yet, direct flights are prohibited between Love Field and many cities which are much closer to Dallas, such as St. Louis, Kansas City, Memphis, Birmingham, and Wichita. This makes no sense.

An unfortunate result of the Love Field restrictions is that they have led to higher air fares for some segments of the United States and lower air fares for others. Again, this is regardless of the flight distance or the size of the city served by the flight. The reason for this absurd situation is that the one airline which serves Love Field is the low-cost carrier for the market, Southwest Airlines. In those cases where Southwest is allowed to compete with the major airlines for direct flights to Dallas, the cost of a ticket to Dallas is dramatically cheaper than when restrictions prevent Southwest from offering competitive flights. For example, a unrestricted round-trip flight from New Orleans to Dallas, a route which is served by Southwest, costs approximately $250. For an unrestricted round-trip flight from Kansas City, which is similar to New Orleans in terms of population and distance from Dallas but is a route not served by Southwest, the cost is $708. Numerous examples, such as this, can be cited.

Another effect of the Love Field restrictions is that they work a terrible inconvenience for those travelers located outside of Texas and the contiguous States who choose to take a nondirect flight to Dallas on Southwest Airlines. Passengers in this situation are not allowed to buy a round-trip ticket to Dallas on a flight which has a stopover in a city that meets the Love Field restrictions. Instead, these passengers must buy two round-trip

tickets. One round-trip ticket to a city in Texas or one of the contiguous States and another from that city to Dallas. This requires the travelers not only to change planes in the connecting city but to collect their baggage and recheck it to Dallas. The unnecessary inconvenience of having to collect and recheck baggage can be especially difficult for the elderly, the disabled, or those traveling with small children.

To allow this situation to continue would be to condone anticompetitive law and to encourage discrimination against many for the benefit of a few. I believe it is essential to encourage competition within the transportation community in order to protect the interests of the traveling public. The case with Love Field is no different than that of all the other small airfields across the country, none of which is restricted based on their location. Love Field has been subject to this unique statute for more than a decade, and it is time to close this loophole.

It is important to add that Southwest Airlines is buying a new, quieter generation of aircraft, so the noise problems associated with large aircraft should be somewhat less at Love Field in the future than at many other airports in the country.

Mr. President, it is time to take a positive step to further competition and fairness in the airline industry. I urge my colleagues to support this effort in order to eliminate this special-interest section of law.

Mr. DOLE. Mr. President. Today I again join my distinguished colleague NANCY KASSEBAUM as an original cosponsor of legislation aimed at addressing a serious problem with regard to airline competition and its unfair effect on Kansas air travelers. Of course, Mr. President I am talking about the so-called Wright amendment.

Over a decade ago, a little known section was quietly tucked into the International Air Transportation Competition Act that prohibited by law direct commercial airline traffic to and from Dallas Love Field unless through one of four contiguous States with Texas. The purpose was to protect the newly constructed DFW Airport from competition at Love Field.

The result has been a distinct disadvantage for Kansas air travelers and for economic development activities in cities like Wichita. Southwest Airlines, the largest airline to use Love Field, would like to offer competitive airfares to Wichita, but because of the configuration of the Wright amendment, they are prohibited from doing so. The result is higher air fares, fewer travel options—such as joint ticketing with other airlines—and a distinct second-class status for the Kansas air traveler.

All this translates into an extremely anticompetitive situation. Congress did not intend that there be islands of noncompetition when it passed the Airline Deregulation Act of 1978. There is a ready and willing market for competitive air service in and around Wichita. The time has come for this arbitrary barrier be removed.

By Mrs. KASSEBAUM:

S. 378. A bill to amend the Foreign Assistance Act of 1961 to improve management of economic assistance, and for other purposes; to the Committee on Foreign Relations.

ECONOMIC ASSISTANCE REFORM ACT

Mrs. KASSEBAUM. Mr. President, for the third Congress in a row, I am reintroducing my legislation which would reform the foreign aid process. Since I first introduced this bill in the 100th Congress, our foreign aid crisis has sharply increased. With money levels declining and aid demands rising with the historic changes taking place in Eastern Europe and elsewhere, I remain strongly convinced that we need to revise how we budget and operate our foreign aid programs.

As a member of the Committee on Foreign Relations, I first became concerned about reforming foreign aid after the overall cuts in our aid programs created a greater need than ever before for better management of our funds. The clear-cut requirement for more flexibility in our budgeting was demonstrated last year as we attempted to respond to the dramatic events in Eastern Europe and the turns toward democracy in Panama and Nicaragua. As we look to the future, it is difficult to ignore the fact that the Middle East will present new challenges and demands for our foreign aid programs after the conflict in the gulf comes to an end.

Despite these demands, we are continuing to earmark our foreign aid funds and, consequently, to hamper severely our ability to respond to changing demands on our limited foreign aid dollars. We are continuing to pile new programs and new priorities on our foreign assistance program without ever stepping back to look at what we have created and why it is not working as well as it should.

I firmly believe, Mr. President, that the answer is not more money but, rather, making sure we are spending our money effectively and efficiently. With a national debt of $2.7 trillion, a budget deficit estimated at $318 billion, and an ongoing war taking place in the gulf estimated at a half billion dollars a day, we cannot afford to increase spending in foreign aid.

I believe the legislation I am reintroducing today responds to these problems.

Perhaps the most important change in this bill is that it will no longer allow congressional earmarks. The bill replaces this ad hoc approach to budgeting with regional accounts, making our budget process more systematic. Regional accounts also will distribute any budget cuts much more evenly. Congress would move to a budget process that parallels the administration's process more directly. It would also help relate our development programs directly to the needs of specific regions. We have already started the move in this direction with the establishment of the Development Fund for Africa.

This bill also increases the President's authority to transfer money from accounts, so that our aid programs can be more responsive to changing world events.

Mr. President, I firmly believe that these reforms would not remove Congress from foreign policy planning but would make our role more responsive and responsible.

Improving the congressional process is only part of the equation. The executive branch is also required by the bill to make a number of management reforms aimed at reducing costs, keeping budgets lean, and maximizing efficiency.

Once again, I urge our committee chairman, Senator PELL, to begin a review of the foreign aid process. The pressure on our budget and the challenges to our policy are only continuing to grow—not subside.

By Mr. WIRTH:

S. 380. A bill to amend the Federal securities law regarding securities registration and administration with respect to banks and savings associations, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

BANKING SECURITIES REGISTRATION AND ADMINISTRATION ACT

Mr. WIRTH. Mr. President, in the near future the administration is expected to make far-reaching proposals to restructure the financial services industry and the industry's regulatory framework.

I believe we need to modernize our financial services laws to reflect the tremendous changes we have seen in the industry in recent years. Several efforts to produce such legislation in recent Congresses have been unsuccessful. However, the administration's expected recommendations, the S&L crisis, troubles within the banking industry, and the urgent need to reform our deposit insurance system have increased the prospects for financial restructuring legislation during this Congress.

Today, I am reintroducing legislation that I offered last year and which I believe should be a part of any financial restructuring package. This legislation, the Bank Securities Registration and Administration Act of 1991, corrects an anomaly in our securities laws in order to provide additional protection to investors who purchase securi-

ties offered by individual banks and thrifts.

Under current law, securities issued by a bank or thrift holding company, like securities offered by most businesses, must comply with Securities and Exchange Commission [SEC] registration and reporting requirements. Securities issued by an individual bank or thrift, or securities guaranteed by a bank, however, are exempt from SEC oversight. Jurisdiction over such securities is instead granted to the primary regulator—the Office of Thrift Supervision, the Office of the Comptroller of the Currency, or the Federal Deposit Insurance Corporation—for the institution issuing the security.

This legislation would repeal the exemption to the registration requirements provided banks and thrifts by the Securities Act of 1933. It would also repeal a similar exemption to the periodic reporting requirements of the Securities Exchange Act of 1934. With these changes, banks and thrifts would have to register their publicly offered securities with the SEC and file regular financial reports with the Commission. Importantly, deposit instruments of banks and thrifts, such as savings and checking accounts, or certificates of deposit, would not be subject to SEC supervision.

The Bank Securities Registration and Administration Act is designed to promote investor confidence and improve the effectiveness and efficiency of securities regulation. The proposal would protect investors by promoting full and fair disclosure of important financial information needed to make sound and informed business decisions. The SEC has well-established procedures for collecting, reviewing, and disseminating information provided by companies in their registration and periodic reporting filings. Investors are accustomed to using this resource to obtain basic accurate information about companies in which they might invest.

Because four different agencies currently establish these standards, investors in bank and thrift securities run the risk that the information they receive regarding their investment is inadequate or not directly comparable. This system results in investor confusion, duplication of regulatory efforts, and higher public and private costs than would be imposed by a simple system of "functional" regulation. I believe investors will be better served if the SEC reviews the offerings.

There is no need for bank and thrift regulators to maintain their own expertise in the area. This is an unnecessary duplication of Government resources. As the agency with the most expertise and experience in reviewing public securities offerings, the SEC already devotes significant resources to this task. Yet, under current law, bank and thrift regulators each must perform the duties the SEC performs for all other companies including bank and thrift holding companies.

The current division of responsibility for enforcement of the securities registration and reporting requirements is inefficient. By centralizing regulatory responsibility in the agency with the greatest expertise in the area, the legislation would help ensure that investors in bank and thrift securities receive the benefit of full and fair disclosure under our securities laws. Securities oversight is, at best, a secondary concern of bank regulators but it is a key focus of SEC activity and expertise. For these reasons, the SEC is better equipped than bank and thrift regulators to perform these duties. We should give this task to the agency best able to do the job.

The legislation would also remove a possible conflict of interest in allowing bank regulators to oversee securities issues. It is conceivable that regulators would have an incentive to be less than vigilant in this area in order to help an institution raise capital. This type of relationship between regulators and insured institutions helped contribute to the S&L crisis. We should act to eliminate the possibility of a conflict.

Mr. President, this is not a far-reaching change in financial regulation. Nevertheless, it is an important change that we ought to make. The proposal has the strong support of the SEC, and a similar plan was supported in 1984 by the Task Group on Regulation of Financial Services, chaired by then Vice President George Bush. The task group's recommendations were endorsed by a number of bank and thrift regulatory agencies, including the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, and the Federal Reserve Board, as well as the National Credit Union Administration.

I look forward to working with my colleagues on the Banking Committee as we consider this issue and related matters concerning financial modernization.

Mr. President, I ask unanimous, consent that a section-by-section analysis of the bill be printed in the RECORD.

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

SECTION-BY-SECTION ANALYSIS OF THE BANK SECURITIES REGISTRATION AND ADMINISTRATION ACT OF 1991

Section 1. Short Title.

This section contains the Act's short title, the "Bank Securities Registration and Administration Act of 1991."

TITLE I—AMENDMENTS TO THE SECURITIES ACT OF 1933

Section 101. Bank-Issued Securities.

Sections 3(a)(2) of the Securities Act of 1933 currently exempts from the registration, but not the antifraud, provision of the Act any security issued by any bank. Section 101 amends Section 3(a)(2) to delete the exemption for bank-issued securities.

Section 101 also amends Section 3(a)(2) to delete the exemption for bank-guaranteed securities. Section 3(a)(2) currently exempts securities guaranteed by a bank to the same extent as the bank's own securities. Although banks normally do not issue guarantees of securities issued by third parties, they often issue standby letters of credit backing these securities. The Securities and Exchange Commission has taken the position that, because bank standby letters of credit are "tantamount to guarantees by [a] bank," securities backed by bank letters of credit need not be registered. Section 101 removes the exemption for securities guaranteed by banks. This change is consistent with the Commission's recommendations set forth in the "Report by the United States Securities and Exchange Commission on the Financial Guarantee Market: The Use of the Exemption in Section 3(a)(2) of the Securities Act of 1933 for Securities Guaranteed by Banks and the Use of Insurance Policies to Guarantee Debt Securities" (Aug. 28, 1987).

Under Section 2(1) of the Securities act, a bank's letter of credit guranteeing a security is a separate security. Thus, the letter of credit itself must also be registered unless an exemption is available. Although Section 101 removes the exemption for securities issued by the bank, the letter of credit will continue to be exempt from registration under new Section 3(d) of the Securities Act, added by Section 104 of this Act.

Certain types of instruments that are subject to a comprehensive scheme of federal banking regulation designed to ensure financial soundness and protect depositors against the risk of insolvency, such as federally-insured deposit instruments, generally are not treated as securities under the Securities Act of 1933 and, therefore, are not currently subject to the registration, antifraud, and other provisions of the Act. See *Marine Bank v. Weaver*, 455 U.S. 551 (1982). These types of instruments will continue to be exempted from the registration and other provisions of the Act. Moreover, Section 104 adds a new subsection (d) to Section 3 of the Act, which replaces the Section 3(a)(2) exemption with a list of exempt deposit instruments and defines the term "deposit" for purposes of that subsection.

Section 101 also effects a technical amendment to Section 3(a)(2) by striking the clause "For the purposes of this paragraph, a security issued or guaranteed by a bank shall not include any interests or participation in any collective trust fund maintained by a bank; and". This clause is no longer necessary because Section 101 removes the exemption for any "security issued or guaranteed by a bank." Section 101 does not, however, affect the exemption in Section 3(a)(2) for interests or participations in a bank collective trust fund issued in connection with certain employee benefit plans.

Section 102. Savings Association-Issued Securities.

Section 3(a)(5) of the Securities Act of 1933 currently exempts securities issued by savings associations from the registration, but not the antifraud, provisions of the Act. Section 102 amends Section 3(a)(5) to eliminate the exemption from registration for securities issued by savings associations. However, Section 3(d) of the Securities Act, added by Section 104 of this Act, contains a list of exempt deposit instruments issued by saving associations.

Section 102 continues the current exemption from registration for securities issued

by farmers' cooperatives exempt from tax under Section 521 of the Internal Revenue Code of 1986, corporations described in Section 501(c)(16) and exempt from tax under Section 501(a) of the Code, and corporations described in Section 501(c)(2) of the Code, exempt from tax under Section 501(a) of the Code, and organized solely to hold title to property, collect income from property, and turn over income from the property to one of the foregoing types of entities.

Section 103. Exemption for Securities in Certain Corporate Transactions.

Section 3(a)(9) currently exempts from the registration (but not the antifraud) provisions of the Securities Act securities exchanged by an issuer with its existing security holders exclusively where no commission or other remuneration is paid or given for soliciting the exchange. Section 103 amends Section 3(a)(9) to add an exemption from the registration requirements of the Act for certain securities issued or exchanged in the context of a reorganization of a corporation, including a bank, into a holding company. The exemption generally requires that, as part of the reorganization, the security holders exchange their securities of the corporation for securities of a newly-founded holding company with no significant assets other than the securities of the corporation and its subsidiaries, and that the security holders generally receive securities representing the same proportional interest in this holding company as they held in the corporation before the transaction. The rights and interests of the security holders in the holding company also must be substantially the same as those in the corporation before the transaction, and the holding company must have substantially the same assets and liabilities as the corporation had before the transaction. Those conditions are intended to ensure that the exemption is not used to transfer corporate control or substantially alter the proportional interests of shareholders without complying with the disclosure provisions of the Securities Act.

Section 104. Treatment of Certain Bank and Saving Association Instruments.

Section 104 adds a new subsection (d) to Section 3 of the Securities Act of 1933. Subsection (d) provides that if any interest in the instruments listed in paragraph (d)(1) is otherwise deemed to be a security under Section 2 of the Act, the Securities Act will apply to that interest only as expressly provided in the Act. This means that the instruments listed in subsection (d)(1) will be exempt from the regulation provisions of the Act, but will continue to be subject to the antifraud provisions in Section 17 of the Act. The listed instruments are (1) a deposit account, savings account, certificate of deposit or other deposit instruments issued by a bank or savings association; (2) a share account issued by a savings association if the account is insured by the Federal Deposit Insurance Corporation; and (3) a debit account at a bank or savings association arising from a credit card or similar arrangements. However, participations in those instruments (other than those that are direct obligations of a bank or savings association) are not exempted under subsection (d).

New paragraph (d)(2) defines the term "deposit" for purposes of subsection (d) to mean the unpaid balance of money or its equivalent received or held by a bank or savings association in the usual course of business (1) for which it has given, or is obligated to give credit to a commercial, checking, savings, time, or thrift account; (2) which is evidenced by its certificate of deposit, a check or draft drawn against a deposit account and certified by a bank or savings association, a letter of credit or travelers check, or by any other similar instruments on which the bank or savings association is liable; (3) which consists of nonpooled assets of individual trust funds received or held by a bank or savings association, whether held in the trust department or deposited in any other department of the bank or savings association; (4) which is received or held by a bank or savings association for a special or specific noninvestment purpose, including escrow funds, funds held as security for any obligation or for securities loaned by the bank or savings associations, funds deposited by a debtor to meet maturing subscriptions to United States Government securities, funds held for distribution or purchase of securities, funds held to meet its acceptances or letters of credit, and withheld taxes.

For purposes of subsection (d) the term "deposit" also includes any other account or instrument on which a bank or savings association is primarily liable as may be defined by the Securities and Exchange Commission after consultation with the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Director of the Office of Thrift Supervision. This last provision will allow the Commission to accommodate the creation of new bank and thrift instruments with characteristics similar to that of the enumerated instruments. In addition, as discussed below, Section 105 adds a new Section 3(e) to the Securities Act, to provide the Commission with general authority to exempt any security or class of securities, including other instruments of banks or savings associations, from the Act's registration requirements.

For the purpose of subsection (d) the term "savings association" is defined to have the same meanings as in Section 3 of the Federal Deposit Insurance Act.

Section 105. Additional Commission Exemptive Authority.

Subsections 3(b) and 3(c) of the Securities Act of 1933 currently provide the Securities and Exchange Commission limited authority to exempt securities from the registration provisions of the Act. Subsection 3(b) permits an exemption when the Commission finds that enforcement of the Act with respect to the securities is not necessary in the public interest and for the protection of investors by reason of the small amount involved or the limited character of the public offering. Subsection 3(b) does not authorize an exemption when the aggregate amount of the securities issued exceeds $5 million.

Subsection 3(c) authorizes the Commission to exempt securities issued by small business investment companies under the Small Business Investment Act of 1958, if it finds that registration is not necesssary in the public interest and for the protection of investors. However, unlike the Investment Company Act of 1940 and the Investment Advisers Act of 1940, the Securities Act does not contain a provision granting the Commission general exemptive authority from the provision of that Act. Section 105 adds subsection 3(e) to the Act, which authorizes the Commission to exempt any person, security or transaction, or any class thereof, from registration (but not from antifraud) provisions of the Act, and the rules and regulation promulgated thereunder, if and to the extent the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. The Commission may exercise its authority under new Subsection 3(e) by promulgating rules and regulations or by issuing orders in response to application for exemption.

Section 105 also provides that the Commission shall by rules and regulation determine the procedures under which an exemption will be granted under new Subsection 3(e). This provision is intended to provide the Commission flexibility in establishing procedures that will expedite the application process without unnecessarily burdening the Commission or its staff. In addition Section 105 provides the Commission discretionary authority to decline to consider any application for an exemption under subsection 3(e). The Commission's determination not to consider any such application will not be subject to judicial review.

This expanded authority granted to the Commission is in addition to the current exemptions provided in Section 3 of the Act with respect to certain securities, and in Section 4 of the Act with respect to certain transactions, and the rules, regulations, and orders under those sections.

Section 106. Technical Amendment.

Section 12 of the Securities Act of 1933 imposes certain civil liabilities on any person who offers or sells a security by means of prospectus or oral communication which contains an untrue statement of a material fact, or omits to state a material fact necessary in order to make the statements not misleading, if the person knew or should have known of such untruth or omission. Section 12 currently exempts from the provision securities exempted by Section 3(a)(2) of the Act. Section 106 amends Section 12 by including within the exemption securities exempted under new Section 3(d) of the Act.

TITLE II—AMENDMENT TO THE SECURITIES EXCHANGE ACT OF 1944

Section 201. Securities Exchange Act Administration Transfer.

Section 12(i) of the Securities Exchange Act of 1934 imposes the responsibility on each of the Federal banking agencies that regulate banks and savings associations to administer and enforce sections 12, 13, 14(a), 14(c), 14(d), 14(f), and 16 of the Act with respect to those institutions subject to its jurisdiction. Section 12 requires registration of securities traded on national securities exchanges or issued by certain issuers. Section 13 requires filing of periodic and other reports concerning these securities and their issuers and filing of disclosure statements by certain beneficial owners of those securities and by issuers that repurchase their securities. Sections 14 (a), (c), and (f) impose certain disclosure and other requirements concerning solicitation of proxies with respect to these securities. Section 14(d) imposes certain disclosure and other requirements with respect to tender offers. Finally, Section 16 requires filings with respect to certain acquisitions and sales of equity securities by officers, directors, and principal shareholders.

Section 108 repeals Section 12(i). The effect of this repeal is to transfer enforcement and administration of those provisions with respect to banks and saving associations from the Federal banking agencies to the Securities and Exchange Commission. The current division of responsibility for enforcement of the Act is inefficient. By centralizing regulatory responsibility in the agency with the greatest expertise in the area, Section 201 will help to ensure that investors in the securities of banks and saving associations receive the benefit of full and fair disclosure under the Act.

TITLE III—AMENDMENT TO THE TRUST INDENTURE ACT

Section 301. Technical Amendment.

Section 301 is a technical amendment to Section 304(a)(4)(A) of the Trust Indenture Act of 1939. Section 304(a)(4)(A) exempts from the Act's provisions certain securities exempted from the Securities Act of 1933 by Section 3(a) of the Securities Act. Section 104 conforms Section 304(a)(4)(A) to new Section 3(d) of the Securities Act by including securities exempted by Section 3(d) within the Section 304(a)(4)(A) exemption.

By Mr. WALLOP:

S. 318. A bill to amend the Internal Revenue Code of 1986 to promote economic growth and jobs creation by reducing social security taxes and capital gains taxes, by adjusting the deduction for depreciation to reflect inflation, and by encouraging economic savings; to the Committee on Finance.

ECONOMIC GROWTH AND JOBS CREATION ACT

Mr. WALLOP. Mr. President, several days ago, I spoke to the winter meeting of the Wyoming Farm Bureau. I discussed several parochial, Wyoming issues, such as wolves in Yellowstone. I also described two national issues coming before Congress which are of vital interest to the Wyoming agriculture community. The first involves our national energy policy and the second involves our Federal tax policies.

The national energy strategy will influence how we will obtain energy at what price. The tax issue is the argument over how to reduce Federal taxes to promote economic expansion. Neither issue is specific to agriculture—they broadly affect our economy—but energy and taxes have a profound impact on ranch and farm operations.

Yesterday, along with Senator JOHNSTON, I introduced the National Energy Security Act of 1991. We have now begun the congressional debate on our national energy policies and priorities. Today, I am introducing legislation which is intended to stimulate debate in Congress on tax reform. My bill, the Economic Growth and Job Creation Act of 1991, is a comprehensive program for economic growth. My friend, TOM DELAY of Texas, is introducing a companion bill in the House of Representatives.

My bill has four parts. These are commonsense proposals intended to get our economy moving again. One of the longest periods of economic growth in our history has temporarily stalled. I would stress "temporary." This week, the Office of Management and Budget predicted that the current downturn will be shallow and brief. I agree. The key to economic growth is to increase savings, investment, and real income. That is the purpose of my legislation. It is not a magic elixir. Rather, it provides the tools for a strong recovery.

The first provision in my bill reduces the cost of labor by lowering the payroll tax. Workers take home pay will also increase. The second provision reduces the cost of capital by lowering capital gains rates. This is an incentive to entrepreneurs to take risk and create new jobs. The third provision reforms that tax treatment of capital investment which allows existing manufacturers to moderize their factories. The fourth provision expands IRA accounts to encourage greater savings. This provision would allow limited withdrawals to help finance the first purchase of a home or a college education.

My bill is not a complicated package. It is based on what has worked over the past decade. Many of my colleagues will recall back in 1978 when the then senior Senator from Wyoming, Cliff Hansen, introduced a tax bill which was to spark an economic revolution. The Hansen-Steiger bill was another simple proposal. It lowered the confiscatory tax rate on capital gains. Cliff correctly argued that lowering the tax rate on investment would boost the economy.

He also currently argued that lowering the tax rate on investment would boost the revenue.

The Carter administration fought it, the Democratic Congress passed it, and the rest of it has been history. This was the real beginning of supply side economics and the Reagan revolution dedicated to a strong, market oriented economy. Today, another senior Senator from Wyoming intends to continue this legacy by introducing tax reforms which will provide a sound economy as we march into the 21st century.

We made a terrible mistake last year. When we first started talking about raising taxes, the economy was growing, there was no sign of recession, and the deficit was about $150 billion. But because we were panicked by the specter of Gramm-Rudman's automatic budget cuts, we enacted the largest tax increase in American history. Now, hardly more than one-half of a year later, the economy is in a recession and the deficit may very well approach $400 billion before the fiscal year is over.

Last year's budget catastrophe should prove once and for all that the kind of economic policy we adopt has a real effect on the economy. It is no accident that the low tax, free market policies which were adopted in the early 1980's created America's longest ever period of peacetime economic growth. While many sneeringly dismissed Reaganomics as a deluded supply side fantasy, those policies helped create more than 20 million new jobs, record increases in family income, and higher living standards for our country.

Nor should it come as a surprise that last year's return to the tax and spend policies of the 1970's resulted in the kind of economic misery this country suffered in the 1970's. Unemployment is now climbing, our economy is contracting, family incomes are falling, and consumer confidence has collapsed.

The way to get our economy growing again is to use the tools that work, which is why I am introducing the Economic Growth and Jobs Creation Act of 1991, to increase private sector incentives to work, save, and invest.

To summarize, the bill has four key provisions:

First. Reduction of the Social Security payroll tax from its record high of 12.4 percent of taxable income down to 10.6 percent. This reduction will help create economic growth by reducing the cost of labor to America's employers, increase the amount of their earnings that our working people can spend and save, and restrain Government's tendency to use the surplus in the Social Security trust fund for other spending programs.

Second. Capital gains tax cut. Reducing the tax on capital gains to 15 percent will spur investment and create jobs, while increasing revenue to the Government.

Third. Elimination of tax penalties against investment. Under today's Tax Code, businesses are required to depreciate—to spread out over several years—the cost of many investments, rather than deducting those investment expenses from their profits for tax purposes. This depreciation effectively increases the cost of the investment in today's dollars. Our legislation will correct this inequity by changing depreciation scheduled so that present value of depreciation is equal to expensing.

Fourth. Increase savings incentives. We tax savings in the country at a much higher rate than do our major trading partners. Our legislation will correct this imbalance by including Senator BILL ROTH's proposal creating back-ended individual retirement accounts. Under this proposal, money put into an IRA would be treated as normal income, but the interest income and principle withdrawn upon retirement would be tax free.

Just as Ronald Reagan's tax cuts ended the 1979–82 recession and triggered the economic expansion of the 1980's, tax cuts, free markets, and spending control can be used to reignite the economy today.

I do not mean to suggest that tax cuts are the only policies which we need, but our major responsibility is to get the economy back on its feet. To do that, we need to reduce the penalties which retard economic growth and job creation. Once we get the economy growing again, we should reduce excessive regulation, eliminate wasteful spending, enact permanent limits on Government's taxing and spending power, and do whatever else is necessary to ensure the economy's potential for future growth.

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. 381

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

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Economic Growth and Jobs Creation Act of 1991".

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

TITLE I—REDUCING THE COST OF LABOR BY REDUCING SOCIAL SECURITY TAXES

SEC. 101. REDUCTION IN SOCIAL SECURITY TAXES.

(a) EMPLOYEE TAX.—Subsection (a) of section 3101 (relating to tax on employees) is amended to read as follows:

"(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—In addition to other taxes, there is hereby imposed on the income of every individual a tax equal to 5.3 percent of the wages (as defined in section 3121(a)) received by him with respect to employment (as defined in section 3121(b))."

(b) EMPLOYER TAX.—Subsection (a) of section 3111 (relating to tax on employers) is amended to read as follows:

"(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to 5.3 percent of the wages (as defined in section 3121(a)) paid by him with respect to employment (as defined in section 3121(b))."

(c) SELF-EMPLOYMENT TAX.—Subsection (a) of section 1401 (relating to tax on self-employment income) is amended to read as follows:

"(a) OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE.—In addition to other taxes, there is hereby imposed for each taxable year, on the self-employment income of every individual, a tax equal to 10.6 percent of the amount of the self-employment income for such taxable year."

(d) ALLOCATIONS TO FEDERAL DISABILITY INSURANCE TRUST FUND.—Section 201(b) of the Social Security Act (42 U.S.C. 401(b)) is amended—

(1) in clause (1), by striking subclauses (O) and (P) and inserting "and (O) 1.20 percentum of the wages (as so defined) paid after December 31, 1989, and so reported,"; and

(2) in clause (2), by striking subclauses (O) and (P) and inserting "(O) 1.20 percentum of the amount of self-employment income (as so defined) so reported for any taxable year beginning after December 31, 1989,".

(e) MONITORING PROJECTED FUND BALANCES OVER NEXT 10 FISCAL YEARS.—Paragraph (2) of section 215(c) of the Social Security Act is amended by striking "five fiscal years" and inserting "10 fiscal years".

(f) MODIFICATIONS TO RESTRICTIONS ON CHANGING OASDI TAXES AND BENEFITS.—

(1) PROCEDURES IN HOUSE OF REPRESENTATIVES.—Subsections (a) and (b) of section 13302 of the Omnibus Budget Reconciliation Act of 1990 are amended to read as follows:

"(a) IN GENERAL.—It shall not be in order in the House of Representatives to consider any bill or joint resolution, as reported, or any amendment thereto or conference report thereon, if, upon enactment—

"(1) such legislation under consideration would provide for a net increase in OASDI benefits for the 10-year period utilized in the most recent annual report of the Board of Trustees provides pursuant to section 201(c)(2) of the Social Security Act, and (B) such legislation under consideration does not provide a net increase, for such 10-year period, in OASDI taxes equal to the net increase in such benefits; or

"(2) such legislation under consideration would provide for a net decrease in OASDI taxes for the 10-year period utilized in the most recent annual report of the Board of Trustees provided pursuant to section 201(c)(2) of the Social Security Act, and (B) such legislation under consideration does not provide a net reduction, for such 10-year period, in OASDI benefits equal to the net decrease in such taxes.

"(b) APPLICATION.—Subparagraph (B) of subsection (a)(2) shall be disregarded so long as the net decrease in OASDI taxes does not exceed the amount which would cause the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, individually or collectively, to cease to be in close actuarial balance (within the meaning of section 201(c) of the Social Security Act)."

(2) PROCEDURES IN SENATE.—Subsection (i) of section 301 of the Congressional Budget Act of 1974 is amended by inserting before the period at the end of the first sentence the following: "by an amount which would cause the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, individually or collectively, to cease to be in close actuarial balance (within the meaning of section 201(c) of the Social Security Act)".

(3) STANDARD FOR DETERMINING CLOSE ACTUARIAL BALANCE.—

(A) Section 201(c) of the Social Security Act is amended by striking the period at the end of the sentence added by section 13304 of the Omnibus Budget Reconciliation Act of 1990 and inserting the following: "on average for the succeeding 10 fiscal years. For purposes of the preceding sentence, the term 'close actuarial balance' means, with respect to any fiscal year, that projected income for the year is at least 90 percent but not more than 110 percent of projected disbursements for such year."

(B) Section 201 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(n) If any annual report of the Board of Trustees provided pursuant to subsection (c) projects that the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, individually or collectively, will cease to be in close actuarial balance (within the meaning of subsection (c)) on average for the succeeding 10 fiscal years, it shall not be in order in either House of Congress to adjourn before enactment of legislation which will restore such close actuarial balance for such years."

(g) ADVISORY COUNCIL ON SOCIAL SECURITY TO REPORT ON FUND STATUS AFTER FISCAL YEAR 2015.—The first Advisory Council on Social Security appointed under section 706 of the Social Security Act after the date of the enactment of this Act shall—

(1) evaluate the expected operation and status of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund after fiscal year 2015, and

(2) conduct a thorough review of alternative approaches to preserving a close actuarial balance (within the meaning of section 201(c) of such Act) of such funds, including changes in the computation of the primary insurance amount, the retirement age, contribution rates, the taxation of benefits, and other factors (including changes in the rates of immigration) which would have a significant impact on the actuarial balance of such funds after fiscal year 2015.

(h) EFFECTIVE DATE.—

(1) CHANGES IN TAX RATES.—

(A) The amendment made by subsection (a) shall apply to remuneration received after June 30, 1991.

(B) The amendment made by subsection (b) shall apply to remuneration paid after June 30, 1991.

(C) The amendment made by subsection (c) shall apply to taxable years beginning after June 30, 1991.

(2) OTHER CHANGES.—The amendments made by subsections (e) and (f) shall apply to fiscal years beginning after the date of the enactment of this Act.

TITLE II—REDUCING THE COST OF CAPITAL BY REDUCING CAPITAL GAINS TAX RATES, INDEXING THE BASIS OF CERTAIN ASSETS, AND ADJUSTING DEPRECIATION RATES TO REFLECT INFLATION.

Subtitle A—Provisions Related to Taxation of Capital Gains

SEC. 201. REDUCTION IN INDIVIDUAL CAPITAL GAINS RATE.

(a) GENERAL RULE.—Subsection (h) of section 1 (relating to maximum capital gains rate) is amended to read as follows:

"(h) MAXIMUM CAPITAL GAINS RATE.—

"(1) IN GENERAL.—If a taxpayer has a net capital gain for any taxable year, then the tax imposed by this section shall not exceed the sum of—

"(A) a tax computed at the rates and in the same manner as if this subsection had not been enacted on the taxable income reduced by the net capital gain, plus

"(B) a tax equal to the sum of—

"(i) 7.5 percent of so much of the net capital gain as does not exceed—

"(I) the maximum amount of taxable income to which the 15-percent rate applies under the table applicable to the taxpayer, reduced by

"(II) the taxable income to which subparagraph (A) applies, plus

"(ii) 15 percent of the net capital gain in excess of the net capital gain to which clause (i) applies.

"(2) TRANSITIONAL RULE.—In the case of a taxable year which includes July 1, 1991, the amount of the net capital gain for purposes of paragraph (1) shall not exceed the net capital gain determined by only taking into account gains and losses properly taken into account for the portion of the taxable year on or after such date."

(b) PHASE-OUT OF PERSONAL EXEMPTIONS AND LIMITATION ON DEDUCTION OF ITEMIZED DEDUCTIONS NOT TO RESULT FROM NET CAPITAL GAIN.—

(1)(A) Subparagraphs (A) and (B) of section 151(d)(3) (relating to phaseout of exemption amount) are each amended by inserting "modified" before "adjusted gross income".

(B) Paragraph (3) of section 151(d) of such Code is amended by redesignating subparagraphs (D) and (E) as subparagraphs (E) and (F), respectively, and by inserting after sub-

paragraph (C) the following new subparagraph:

"(D) MODIFIED ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term 'modified adjusted gross income' means adjusted gross income reduced by net capital gain. In the case of a taxable year which includes July 1, 1991, the amount of the net capital gain for purposes of preceding sentence shall not exceed the net capital gain determined by only taking into account gains and losses properly taken into account for the portion of the taxable year on or after such date."

(2) Subsection (a) of section 68 (relating to overall limitation on itemized deductions) is amended by inserting "(reduced by net capital gain (determined in accordance with the last sentence of section 151(d)(3)(D)))" after "adjusted gross income".

(c) TECHNICAL AMENDMENTS.—

(1) Paragraph (1) of section 170(e) is amended by striking "the amount of gain" in the material following subparagraph (B)(ii) and inserting "13/28 (19/34 in the case of a corporation) of the amount of gain".

(2)(A) The second sentence of section 7518(g)(6)(A) is amended by striking "28 percent (34 percent in the case of a corporation)" and inserting "15 percent".

(B) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936, is amended by striking "28 percent (34 percent in the case of a corporation)" and inserting "15 percent".

SEC. 202. REDUCTION IN CORPORATE CAPITAL GAINS RATE.

(a) GENERAL RULE.—Section 1201 (relating to alternative tax for corporations) is amended by redesignating subsection (b) as subsection (c), and by stiking subsection (a) and inserting the following:

"(a) GENERAL RULE.—If for any taxable year a corporation has a net capital gain, then, in lieu of the tax imposed by section 11, 511, or 831(a) (whichever applies), there is hereby imposed a tax (if such tax is less than the tax imposed by such section) which shall consist of the sum of—

"(1) a tax computed on the taxable income reduced by the net capital gain, at the same rates and in the same manner as if this subsection had not been enacted, plus

"(2) a tax of 15 percent of the net capital gain.

"(b) TRANSITIONAL RULE.—In the case of a taxable year which includes July 1, 1990, the amount of the net capital gain for purposes of subsection (a) shall not exceed the net capital gain determined by only taking into account gains and losses properly taken into account for the portion of the taxable year on or after such date."

(b) TECHNICAL AMENDMENTS.—

(1) Clause (iii) of section 852(b)(3)(D) is amended by striking "66 percent" and inserting "85 percent".

(2) Paragraphs (1) and (2) of section 1445(e) are each amended by striking "34 percent" and inserting "15 percent".

SEC. 203. REDUCTION OF MINIMUM TAX RATE ON CAPITAL GAINS.

Subparagraph (A) of section 55(b)(1) (relating to tentative minimum tax) is amended to read as follows:

"(A) the sum of—

"(i) 15 percent of the lesser of—

"(I) the net capital gain (determined with the adjustments provided in this part and (to the extent applicable) the limitations of sections 1(h)(2) and 1201(b)), or

"(II) so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount, plus

"(ii) 20 percent (24 percent in the case of a taxpayer other than a corporation) of the amount (if any) by which the excess referred to in clause (i)(II) exceeds the net capital gain (as so determined), reduced by".

SEC. 204. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN OR LOSS.

(a) IN GENERAL.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following new section:

"SEC. 1022. INDEXING OF CERTAIN ASSETS FOR PURPOSES OF DETERMINING GAIN OR LOSS.

"(a) GENERAL RULE.—

"(1) INDEXED BASIS SUBSTITUTED FOR ADJUSTED BASIS.—Except as provided in paragraph (2), if an indexed asset which has been held for more than 1 year is sold or otherwise disposed of, for purposes of this title the indexed basis of the asset shall be substituted for its adjusted basis.

"(2) EXCEPTION FOR DEPRECIATION, ETC.—The deduction for depreciation, depletion, and amortization shall be determined without regard to the application of paragraph (1) to the taxpayer or any other person.

"(b) INDEXED ASSET.—

"(1) IN GENERAL.—For purposes of this section, the term 'indexed asset' means—

"(A) stock in a corporation, and

"(B) tangible property (or any interest therein), which is a capital asset of property used in the trade or business (as defined in section 1231(b)).

"(2) CERTAIN PROPERTY EXCLUDED.—For purposes of this section, the term 'indexed asset' does not include—

"(A) CREDITOR'S INTEREST.—Any interest in property which is in the nature of a creditor's interest.

"(B) OPTIONS.—Any option or other right to acquire an interest in property.

"(c) NET LEASE PROPERTY.—In the case of a lessor, net lease property (within the meaning of subsection (h)(1)).

"(D) CERTAIN PREFERRED STOCK.—Stock which is fixed and preferred as to dividends and does not participate in corporate growth to any significant extent.

"(E) STOCK IN CERTAIN CORPORATIONS.—Stock in—

"(i) an S corporation (within the meaning of section 1361),

"(ii) a personal holding company (as defined in section 542), and

"(iii) a foreign corporation.

"(3) EXCEPTION FOR STOCK IN FOREIGN CORPORATION WHICH IS REGULARLY TRADED ON NATIONAL OR REGIONAL EXCHANGE.—Clause (iii) of paragraph (2)(E) shall not apply to stock in a foreign corporation the stock of which is listed on the New York Stock Exchange, the American Stock Exchange, or any domestic regional exchange for which quotations are published on a regular basis other than—

"(A) stock of a foreign investment company (within the meaning of section 1246(b)), and

"(B) stock in a foreign corporation held by a United States person who meets the requirements of section 1248(a)(2).

"(c) INDEXED BASIS.—For purposes of this section—

"(1) INDEXED BASIS.—The indexed basis for any asset is—

"(A) the adjusted basis of the asset, multiplied by

"(B) the applicable inflation ratio.

"(2) APPLICABLE INFLATION RATIO.—The applicable inflation ratio for any asset is the percentage arrived at by dividing—

"(A) the gross national product deflator for the calendar quarter in which the disposition takes place, by

"(B) the gross national product deflator for the calendar quarter in which the asset was acquired by the taxpayer (or, if later, the calendar quarter ending June 30, 1991).

The applicable inflation ratio shall not be taken into account unless it is greater than 1. The applicable inflation ratio for any asset shall be rounded to the nearest one-tenth of 1 percent.

"(3) GROSS NATIONAL PRODUCT DEFLATOR.—The gross national product deflator for any calendar quarter is the implicit price deflator for the gross national product for such quarter (as shown in the first revision thereof).

"(4) SECRETARY TO PUBLISH TABLES.—The Secretary shall publish tables specifying the applicable inflation ratios for each calendar quarter.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) TREATMENT AS SEPARATE ASSET.—In the case of any asset, the following shall be treated as a separate asset:

"(A) a substantial improvement to property,

"(B) in the case of stock of a corporation, a substantial contribution to capital, and

"(C) any other portion of an asset to the extent that separate treatment of such portion is appropriate to carry out the purposes of this section.

"(2) ASSETS WHICH ARE NOT INDEXED ASSETS THROUGHOUT HOLDING PERIOD.—

"(A) IN GENERAL.—The applicable inflation ratio shall be appropriately reduced for calendar months at any time during which the asset was not an indexed asset.

"(B) CERTAIN SHORT SALES.—For purposes of applying subparagraph (A), an asset shall be treated as not an indexed asset for any short sale period during which the taxpayer or the taxpayer's spouse sells short property substantially identical to the asset. For purposes of the preceding sentence, the short sale period begins on the day after the substantially identical property is sold and ends on the closing date for the sale.

"(3) TREATMENT OF CERTAIN DISTRIBUTIONS.—A distribution with respect to stock in a coporation which is not a dividend shall be treated as a disposition.

"(4) SECTION CANNOT INCREASE ORDINARY LOSS.—To the extent that (but for this paragraph) this section would create or increase a net ordinary loss to which section 1231(a)(2) applies or an ordinary loss to which any other provision of this title applies, such provision shall not apply. The taxpayer shall be treated as having a long-term capital loss in an amount equal to the amount of the ordinary loss to which preceding sentence applies.

"(5) ACQUISITION DATE WHERE THERE HAS BEEN PRIOR APPLICATION OF SUBSECTION (a)(1) WITH RESPECT TO THE TAXPAYER.—If there has been a prior application of subsection (a)(1) to an asset while such asset was held by the taxpayer, the date of acquisition of such asset by the taxpayer shall be treated as not earlier than the date of the most recent such prior application.

"(6) COLLAPSIBLE CORPORATIONS.—The application of section 341(a) (relating to collapsible corporations) shall be determined without regard to this section.

"(e) CERTAIN CONDUIT ENTITIES.—

"(1) REGULATED INVESTMENT COMPANIES; REAL ESTATE INVESTMENT TRUSTS; COMMON TRUST FUNDS.—

"(A) IN GENERAL.—Stock in a qualified investment entity shall be an indexed asset for any calendar month in the same ratio as the fair market value of the assets held by such entity at the close of such month which are indexed assets bears to the fair market value of all assets of such entity at the close of such month.

"(B) RATIO OF 90 PERCENT OR MORE.—If the ratio for any calendar month determined under subparagraph (A) would (but for this subparagraph) be 90 percent or more, such ratio for such month shall be 100 percent.

"(C) RATIO OF 10 PERCENT OR LESS.—If the ratio for any calendar month determined under subparagraph (A) would (but for this subparagraph) be 10 percent or less, such ratio for such month shall be zero.

"(D) VALUATION OF ASSETS IN CASE OF REAL ESTATE INVESTMENT TRUSTS.—Nothing in this paragraph shall require a real estate investment trust to value its assets more frequently than once each 36 months (except where such trust ceases to exist). The ratio under subparagraph (A) for any calendar month for which there is no valuation shall be the trustee's good faith judgment as to such valuation.

"(E) QUALIFIED INVESTMENT ENTITY.—For purposes of this paragraph, the term 'qualified investment entity' means—

"(i) a regulated investment company (within the meaning of section 851),

"(ii) a real estate investment trust (within the meaning of section 856), and

"(iii) a common trust fund (within the meaning of section 584).

"(2) PARTNERSHIPS.—In the case of a partnership, the adjustment made under subsection (a) at the partnership level shall be passed through to the partners.

"(3) SUBCHAPTER S CORPORATIONS.—In the case of an electing small business corporation, the adjustment under subsection (a) at the corporate level shall be passed through to the shareholders.

"(f) DISPOSITIONS BETWEEN RELATED PERSONS.—

"(1) IN GENERAL.—This section shall not apply to any sale or other disposition of property between related persons except to the extent that the basis of such property in the hands of the transferee is a substituted basis.

"(2) RELATED PERSONS DEFINED.—For purposes of this section, the term 'related persons' means—

"(A) persons bearing a relationship set forth in section 267(b), and

"(B) persons treated as single employer under subsection (b) or (c) section 414.

"(g) TRANSFERS TO INCREASE INDEXING ADJUSTMENT OR DEPRECIATION ALLOWANCE.—If any person transfers cash, debt, or any other property to another person and the principal purpose of such transfer is—

"(1) to secure or increase an adjustment under subsection (a), or

"(2) to increase (by reason of an adjustment under subsection (a)) a deduction for depreciation, depletion, or amortization,

the Secretary may disallow part or all of such adjustment or increase.

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

"(1) NET LEASE PROPERTY DEFINED.—The term 'net lease property' means leased real property where—

"(A) the term of the lease (taking into account options to renew) was 50 percent or more of the useful life of the property, and

"(B) for the period of the lease, the sum of the deductions with respect to such property which are allowable to the lessor solely by reason of section 162 (other than rents and reimbursed amounts with respect to such property) is 15 percent or less of the rental income produced by such property.

"(2) STOCK INCLUDES INTEREST IN COMMON TRUST FUND.—The term 'stock in a corporation' includes any interest in a common trust fund (as defined in section 584(a)).

"(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section."

(b) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of such chapter 1 is amended by inserting after the item relating to section 1021 the following new item:

"Sec. 1022. Indexing of certain assets for purposes of determining gain or loss."

(c) ADJUSTMENT TO APPLY FOR PURPOSES OF DETERMINING EARNINGS AND PROFITS.—Subsection (f) of section 312 (relating to effect on earnings and profits of gain or loss and of receipt of tax-free distributions) is amended by adding at the end thereof the following new paragraph:

"(3) EFFECT ON EARNINGS AND PROFITS OF INDEXED BASIS.—

For substitution of indexed basis for adjusted basis in the case of the disposition of certain assets after June 30, 1991, see section 1022(a)(1).

SEC. 205. INDEXING OF LIMITATION ON CAPITAL LOSSES OF INDIVIDUALS.

Section 1211 (relating to limitation on capital losses) is amended by adding at the end thereof the following new subsection:

"(c) INDEXATION OF LIMITATION ON NONCORPORATE TAXPAYERS.—

"(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1991, the $3,000 and $1,500 amounts under subsection (b)(1) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the applicable inflation adjustment for the calendar year in which the taxable year begins.

"(2) APPLICABLE INFLATION ADJUSTMENT.—For purposes of paragraph (1), the applicable inflation adjustment for any calendar year is the percentage (if any) by which—

"(A) the gross national product deflator for the last calendar quarter of the preceding calendar year, exceeds

"(B) the gross national product deflator for the last calendar quarter of 1990.

For purposes of this paragraph, the term 'gross national product deflator' has the meaning given such term by section 1022(c)(3)."

SEC. 206. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this title shall apply to sales or exchanges occurring after June 30, 1991, in taxable years ending after such date.

(b) INDEXING OF LOSS LIMITATION.—The amendments made by section 205 shall apply to taxable years beginning after December 31, 1991.

Subtitle B—Provisions Related to Depreciation

SEC. 211. DEPRECIATION ADJUSTMENT FOR CERTAIN PROPERTY PLACED IN SERVICE IN TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1990.

(a) IN GENERAL.—Section 168 (relating to accelerated cost recovery system) is amended by adding at the end thereof the following new subsection:

"(j) DEDUCTION ADJUSTMENT TO ALLOW EQUIVALENT OF EXPENSING FOR CERTAIN PROPERTY PLACED IN SERVICE IN TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1990.—

"(1) IN GENERAL.—In the case of tangible property (other than residential rental property and nonresidential real property) placed in service in a taxable year beginning after December 31, 1990, the deduction allowable under this section with respect to such property for any taxable year (after the taxable year during which the property is placed in service) shall be—

"(A) the amount so allowable for such taxable year without regard to this subsection, multiplied by

"(B) the applicable neutral cost recovery adjustment.

"(2) APPLICABLE NEUTRAL COST RECOVERY ADJUSTMENT.—For purposes of paragraph (1), the applicable neutral cost recovery adjustment for any calendar year is the number determined by—

"(A) dividing—

"(i) the gross national product deflator for the calendar quarter of the preceding calendar year which corresponds to the calendar quarter during which the property was placed in service by the taxpayer, by

"(ii) the gross national product deflator for the calendar quarter during which the property was placed in service by the taxpayer, and

"(B) then multiplying the number determined under subparagraph (A) by the number equal to 1.035 to the nth power where 'n' is the number of calendar years after the calendar year in which the property was placed in service by the taxpayer and before the 1st calendar year beginning with or within the taxable year for which the deduction under this subsection is being determined.

"(3) GROSS NATIONAL PRODUCT DEFLATOR.—For purposes of paragraph (2), the term 'gross national product deflator' has the meaning given such term by section 1022(c)(3)."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

SEC. 212. PHASE-IN OF EXPENSING FOR PROPERTY PLACED IN SERVICE IN TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1996.

(a) IN GENERAL.—Section 168 (relating to accelerated cost recovery system) is amended by adding at the end thereof the following new subsection:

"(k) PHASE-IN OF EXPENSING.—

"(1) IN GENERAL.—In the case of tangible property placed in service in a taxable year beginning after December 31, 1996—

"(A) the phase-in deductions with respect to such property shall be allowable under this section for the taxable year in which such property is placed in service, and

"(B) the applicable recovery period with respect to such property shall be reduced by the phase-in number of years.

"(2) PHASE-IN DEDUCTIONS AND YEARS.—For purposes of this subsection—

"(A) IN GENERAL.—The phase-in deductions with respect to any property are the aggregate deductions allowable under this section (determined without regard to this subsection and subsection (j)) for the first phase-in number of years in the applicable recovery period.

"(B) PHASE-IN NUMBER OF YEARS.—The phase-in number of years with respect to any property is the number of calendar years after 1996 and before the calendar year in which the property is placed in service.

"(3) ELECTION.—This subsection shall not apply to any property if the taxpayer elects not to apply this subsection to such prop-

erty. Such an election, once made, shall be irrevocable.".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

TITLE III—INCREASING NATIONAL SAVINGS THROUGH INDIVIDUAL RETIREMENT PLUS ACCOUNTS, INDEXING FOR INFLATION THE INCOME THRESHOLDS FOR TAXING SOCIAL SECURITY BENEFITS, ETC.

SEC. 301. ESTABLISHMENT OF INDIVIDUAL RETIREMENT PLUS ACCOUNTS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 (relating to pension, profit-sharing, stock bonus plans, etc.) is amended by inserting after section 408 the following new section:

"SEC. 408A. INDIVIDUAL RETIREMENT PLUS ACCOUNTS.

"(a) GENERAL RULE.—Except as provided in this section, an individual retirement plus account shall be treated for purposes of this title in the same manner as an individual retirement plan.

"(b) INDIVIDUAL RETIREMENT PLUS ACCOUNT.—For purposes of this title, the term 'individual retirement plus account' means an individual retirement plan which is designated at the time of the establishment of the plan as an individual retirement plus account. Such designation shall be made in such manner as the Secretary may prescribe.

"(c) CONTRIBUTION RULES.—

"(1) NO DEDUCTION ALLOWED.—No deduction shall be allowed under section 219 for a contribution to an individual retirement plus account.

"(2) CONTRIBUTION LIMIT.—

"(A) IN GENERAL.—Except in the case of rollover contributions, the aggregate amount which may be accepted as contributions to an individual retirement plus account shall not be greater than the excess (if any) of—

"(i) the nondeductible limit with respect to the individual for the taxable year under section 408(o) (after application of subparagraph (B)(ii) thereof), over

"(ii) the designated nondeductible contributions made by the individual for such taxable year to 1 or more individual retirement plans.

"(B) $1,000 INCREASE AFTER 1994.—

"(i) IN GENERAL.—In the case of any taxable year beginning after December 31, 1994, the amount determined under subparagraph (A)(i) (without regard to this subparagraph) shall be increased by $1,000.

"(ii) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning in a calendar year after 1996, the $1,000 amount in clause (i) shall be increased by an amount equal to—

"(I) such dollar amount, multiplied by

"(II) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1995' for 'calendar year 1989' in subparagraph (B) thereof.

"(iii) ROUNDING.—If any amount as adjusted under clause (ii) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50 (or, if such amount is a multiple of $25, such amount shall be rounded to the next highest multiple of $50).

"(C) SPECIAL RULE FOR MARRIED INDIVIDUALS.—The nondeductible limits under subparagraph (A) for an individual and for such individual's spouse shall be an amount equal to the excess (if any) of—

"(i) $2,000, over

"(ii) the sum of the amount allowed as a deduction under section 219 for contributions on behalf of such individual or such spouse, plus the amount determined under subparagraph (A)(ii) with respect to each.

In no event shall the sum of such limits exceed an amount equal to the sum of the compensation includible in the individual's and spouse's gross income for the taxable year, reduced by the sum of the amounts determined under clause (ii).

"(3) CONTRIBUTIONS AFTER AGE 70½.—Contributions may be made by an individual to an individual retirement plus account after such individual has attained the age of 70½.

"(4) LIMITATIONS ON ROLLOVER CONTRIBUTIONS.—No rollover contributions may be made to an individual retirement plus account unless such rollover contribution is a contribution of a distribution or payment out of—

"(A) another individual retirement plus account, or

"(B) an individual retirement plan which is not allocable to any amount transferred to such plan which represented any portion of the balance to the credit of an employee in a qualified trust (or any income allocable to such portion).

"(d) DISTRIBUTION RULES.—For purposes of this title—

"(1) IN GENERAL.—Except in the case of a qualified distribution, the rules of paragraphs (1) and (2) of section 408(d) shall apply to any distribution from an individual retirement plus account.

"(2) TREATMENT OF QUALIFIED DISTRIBUTION.—In the case of a qualified distribution from an individual retirement plus account—

"(A) the amount of such distribution shall not be includible in gross income; and

"(B) section 72(t) shall not apply.

"(3) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified distribution' means any distribution—

"(i) made on or after the date on which the individual attains age 59½,

"(ii) made to a beneficiary (or to the estate of an individual) on or after the death of the individual,

"(iii) attributable to the employee's being disabled (within the meaning of section 72(m)(7)), or

"(iv) which is a qualified special purpose distribution (within the meaning of subsection (e)).

"(b) DISTRIBUTIONS WITHIN 5 YEARS.—No distribution shall be treated as a qualified distribution if—

"(i) it is made within the 5-taxable year period beginning with the 1st taxable year in which the individual made a contribution to an individual retirement plus account, or

"(ii) in the case of a distribution properly allocable to a rollover contribution (or income allocable thereto), it is made within 5 years of the date on which such rollover contribution was made.

"(4) SPECIAL RULES RELATING TO ROLLOVERS FROM REGULAR INDIVIDUAL RETIREMENT ACCOUNTS.—

"(A) IN GENERAL.—Except as provided in this paragraph, any amount paid or distributed out of an individual retirement plan on or before the earlier of—

"(i) the date on which the individual attains age 55, or

"(ii) January 1, 1992,

shall not be included in gross income (and section 72(t) shall not apply to such amount) if the individual receiving such amount transfers, within 60 days of receipt, the entire amount received to an individual retirement plus account.

"(B) TREATMENT OF TAX-FAVORED AMOUNTS.—

"(i) IN GENERAL.—Notwithstanding subparagraph (A), there shall be included in gross income (but section 72(t) shall not apply to) the portion of any amount transferred which bears the same ratio to such amount as—

"(I) the aggregate amount of contributions to individual retirement plans with respect to which a deduction was allowable under section 219, bears to

"(II) the aggregate balance of such plans.

"(ii) TIME FOR INCLUSION.—Any amount described in clause (i) shall be included in gross income ratably over the 4-taxable year period beginning with the taxable year in which the amount was paid or distributed out of the individual retirement plan.

"(e) QUALIFIED SPECIAL PURPOSE DISTRIBUTION.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified special purpose distribution' means—

"(A) a qualified first-time homebuyer distribution, or

"(B) an applicable medical or educational distribution.

"(2) 25 PERCENT ACCOUNT LIMIT.—A distribution shall not be treated as a qualified special purpose distribution to the extent it exceeds the amount (if any) by which—

"(A) 25 percent of the sum of—

"(i) the aggregate balance of individual retirement plus accounts established on behalf of an individual, plus

"(ii) the aggregate amounts previously treated as qualified special purpose distributions, exceeds

"(B) the amount determined under subparagraph (A)(ii).

"(3) DISTRIBUTIONS USED TO PURCHASE A HOME BY FIRST-TIME HOMEBUYER.—For purposes of paragraph (1)—

"(A) IN GENERAL.—The term 'qualified first-time homebuyer distribution' means any payment of distribution received by a first-time homebuyer from an individual retirement plan to the extent such payment or distribution is used by the individual before the close of the 60th day after the day on which such payment or distribution is received to pay qualified acquisition costs with respect to a principal residence for such individual.

"(B) BASIS REDUCTION.—The basis of any principal residence described in subparagraph (A) shall be reduced by any amount excluded from the gross income of such first-time homebuyer by reason of this section.

"(C) RECOGNITION OF GAIN AS ORDINARY INCOME.—

"(i) IN GENERAL.—Notwithstanding any other provision of this subtitle, except as provided in clause (ii)—

"(I) gain (if any) on the sale or exchange of a principal residence to which subparagraph (A) applies shall, to the extent of the amount excluded from gross income under this section, be treated as ordinary income by such individual, and

"(II) section 72(t) shall apply to such amount.

"(ii) EXCEPTION.—Clause (i) shall not apply to any taxable year to the extent of any amount which, before the due date (without extensions) for filing the return for such year, the taxpayer contributes to an individual retirement plus account. Such amount shall not be taken into account for purposes of any provision of this title relating to excess contributions.

"(iii) COORDINATION WITH OTHER PROVISIONS.—In the event all or part of the gain referred to in clause (i) is treated as ordinary

income under any other provision of this subtitle, such provision shall be applied before clause (i).

"(D) SPECIAL RULE WHERE DELAY IN ACQUISITION.—If—

"(i) any amount is paid or distributed from an individual retirement plus account to an individual for purposes of being used as provided in subparagraph (A), and

"(ii) by reason of a delay in the acquisition of the residence, such amount cannot be so used,

the amount so paid or distributed may be paid into an individual retirement plus account as provided in section 408(d)(3)(A)(i) without regard to section 408(d)(3)(B), and, if so paid into such other plan, such amount shall not be taken into account in determining whether section 408(d)(3)(A)(i) applies to any other amount.

"(E) DEFINITIONS.—For purposes of this paragraph—

"(i) QUALIFIED ACQUISITION COSTS.—The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. Such term includes any usual or reasonable settlement, financing, or other closing costs.

"(ii) FIRST-TIME HOMEBUYER.—The term 'first-time homebuyer' means any individual if such individual (and if married, such individual's spouse) had no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this paragraph applies.

"(iii) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 1034.

"(iv) DATE OF ACQUISITION.—The term 'date of acquisition' means the date—

"(I) on which a binding contract to acquire the principal residence to which subparagraph (A) applies is entered into, or

"(II) on which construction or reconstruction of such a principal residence is commenced.

"(4) APPLICABLE MEDICAL DISTRIBUTIONS.—For purposes of paragraph (1), the term 'applicable medical distributions' means any distributions made to an individual (not otherwise taken into account under this subsection) to the extent such distributions do not exceed the amount allowable as a deduction under section 213 for amounts paid during the taxable year for medical care (without regard to whether the individual itemized deductions for the taxable year).

"(5) DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLUS ACCOUNTS FOR EDUCATIONAL EXPENSES.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'applicable educational distributions' means distributions to an individual to the extent that the amount of such distributions (not otherwise treated as qualified special purpose distributions, determined after application of paragraph (4)) does not exceed the qualified higher education expenses of the individual for the taxable year.

"(B) QUALIFIED HIGHER EDUCATION EXPENSES.—For purposes of subparagraph (A)—

"(i) IN GENERAL.—The term 'qualified higher education expenses' means tuition, fees, books, supplies, and equipment required for the enrollment or attendance of—

"(I) the taxpayer,

"(II) the taxpayer's spouse, or

"(III) the taxpayer's child (as defined in section 151(c)(3)) or grandchild,

at an eligible educational institution (as defined in section 135(c)(3)).

"(ii) COORDINATION WITH SAVINGS BOND PROVISIONS.—The amount of qualified higher education expenses for any taxable year shall be reduced by any amount excludable from gross income under section 135.

"(f) ROLLOVER CONTRIBUTIONS.—For purposes of this section, the term 'rollover contributions' means contributions described in sections 402(a)(5), 402(a)(7), 403(a)(4), 403(b)(8), and 408(d)(3).

"(g) DETERMINATIONS.—For purposes of this section, any determinations with respect to aggregate contributions to, or the balance of, individual retirement plus accounts shall be made as of the close of the calendar year preceding the calendar year in which the taxable year begins.".

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 408 the following new item:

"Sec. 408A. Individual retirement plus accounts.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1990.

SEC. 402. INFLATION ADJUSTMENT OF INCOME THRESHOLDS FOR TAXATION OF SOCIAL SECURITY BENEFITS; INCOME FROM INDIVIDUAL RETIREMENT PLANS EXCLUDED.

(a) ADJUSTMENT OF INCOME THRESHOLDS FOR INFLATION.—Section 86 (relating to social security and tier 1 railroad retirement benefits) is amended by adding at the end thereof the following new subsection:

"(g) ADJUSTMENT OF INCOME THRESHOLDS FOR INFLATION.—

"(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1996, the $25,000 and $32,000 amounts contained in subsection (c) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1995' for 'calendar year 1989' in subparagraph (B) thereof.

"(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50 (or, if such amount is a multiple of $25, such amount shall be rounded to the next highest multiple of $50)."

(b) INCOME FROM INDIVIDUAL RETIREMENT PLANS EXCLUDED.—Paragraph (2) of section 86(b) is amended by striking "and" at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting ", and", and by adding at the end thereof the following new subparagraph:

"(C) decreased by the portion of such income which is attributable to a distribution or payment from an individual retirement plan."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 403. INFLATION ADJUSTMENT OF MAXIMUM AMOUNT OF IRA DEDUCTION.

(a) IN GENERAL.—Section 219 (relating to retirement savings) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) ADJUSTMENT OF MAXIMUM DEDUCTION FOR INFLATION.—

"(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1996, each applicable dollar amount shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1995' for 'calendar year 1989' in subparagraph (B) thereof.

"(2) APPLICABLE DOLLAR AMOUNT.—For purposes of paragraph (1), the term 'applicable dollar amount' means—

"(A) the $2,000 amount in subsection (b)(1)(A) and (c)(2) of this section, in subsections (a)(1), (b), and (j) of section 408, and in section 408A(c)(2)(C), and

"(B) the $2,250 amount in subsection (c)(2) of this section and in section 408(d)(5).

"(3) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50 (or, if such amount is a multiple of $25, such amount shall be rounded to the next highest multiple of $50)."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

By Mr. SANFORD:

S. 382. A bill to provide shelter, food, and supportive services to communities in which substantial percentages of resident members of the Armed Forces have been assigned to duty outside the communities in connection with the Persian Gulf conflict, and for other purposes; to the Committee on Labor and Human Resources.

DESERT STORM COMMUNITY ASSISTANCE ACT

Mr. SANFORD. Mr. President, virtually every hour of the day we can watch our televisions and listen to our radios to find news and information on the war with Iraq. Our military commanders are reporting great successes thus far. That success is largely credited to their extraordinary preparation. As the war progresses, the Nation and the Congress begin adjusting to having hundreds of thousands of our Armed Forces committed to the effort. It is never easy for families to say good-bye to members going off to war. The images of tearful farewells have been etched in our minds much longer than those of successful military missions brought into our lives from television.

As we come to grips with being a nation at war, we must fix our attention on its effects domestically. The impact of the large military deployment of the Middle East is also being felt in the civilian communities surrounding large military installations. All of the networks have had stories from Fort Bragg, home of the 18th Airborne Corps and the 82d Airborne Division; Camp Lejeune, 2nd Marine Division; Cherry Point, home of the 2d Marine Air Wing; Seymour Johnson, AFB, home of the 4th Tactical Fighter Wing; and Pope AFB, home of the 317th Tactical Airlift Wing. C-SPAN had a special on a National Guard unit from the mountains of North Carolina deployed to Saudi Arabia. You are now starting to see, hear, and read stories about Fayetteville, Havelock, Goldsboro, and Spring Lake.

All of these are towns and cities in North Carolina that have one or more

of these military installations adjacent to them. What distinguishes these communities from so many others is that the military base is the economic base of the community. These are smaller, more isolated communities where most economic activity is driven by the military base.

When Desert Storm was Desert Shield, the stories in the papers and on the network news told of the tremendous support the citizens of these communities had for their friends and neighbors gone to war. That support is still there and stronger than ever, but the media now tell a different story. Businesses in these communities are going under. Social service organizations are having to operate beyond their capacities. There is a personal rise in unemployment. What is most alarming is the increase in the need for protective services for children. Social services are reporting record numbers of child neglect cases.

Mr. President, like many of my colleagues here, I only need to read the mail and listen to the telephone calls to know these problems. I have heard from the mayors, chambers of commerce, and the citizens of Havelock, Fayetteville, Spring Lake, Goldsboro, and Jacksonville. These civilian communities and others like them across the Nation need assistance.

The rapid deployment has led to an equally rapid decline in the economies of communities that have no way to minimize the impact of the loss of a large percentage of their population. In these smaller communities, virtually every business is affected. Every restaurant, bar, retail shop, and grocery store suffers from a huge and immediate drop in business. In these military dependent communities, unemployment has sky-rocketed and social service organizations are overwhelmed.

In an effort to provide relief from this quick economic downturn I am submitting the Desert Storm Community Assistance Act. No new program would need to be established. As stated in the bill, the Emergency Food and Shelter Program authorized under title III of the Stewart B. McKinney Homeless Assistance Act provides the type of rapid response and assistance needed by communities that have been adversely affected by large troop deployments as a result of Desert Storm.

The Red Cross, the Salvation Army, the National Council of Churches, the Council of Jewish Federations, Catholic Charities, and the United Way all help to form the National Board of the Emergency Food and Shelter Program. The McKinney Act formally authorized the program. FEMA is charged with overseeing their funding.

Using poverty, population, and unemployment data, the board would make funding allocation decisions. Funds would be forwarded directly to cities and counties for distribution. Decisions on distribution would be made locally. The National Board of the Emergency Food and Shelter Program met last week. That meeting was attended by members of my staff and other Senate staff people. They were impressed by the national infrastructure the board has access to that would implement the program.

As a member of the Persian Gulf Personnel Benefits Task Force, I ask support from my colleagues for the Desert Storm Community Assistance Act. As we support our men and women of the Armed Forces who are participating in Desert Storm, so must we support those here in the United States that find themselves victims of a war we all hope ends soon.

Mr. President, I ask unanimous consent that my statement and the full text of the bill be entered into the RECORD.

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

S. 382

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Desert Storm Community Assistance Act".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) communities across the United States, which are home to military installations or reserve and national guard units are experiencing hardships as a result of the mobilization of the United States Armed Forces in connection with the Persian Gulf conflict;

(2) these hardships are especially felt by communities where military personnel make up a large percentage of the population and the military base is a crucial part of the local economy;

(3) the removal of so many people from these communities has adversely affected the economic and social life of such communities resulting in soaring unemployment, small business failures, and a drain on existing social services;

(4) such conditions multiply and will become more problematic the longer the deployment of military personnel lasts;

(5) the Emergency Food and Shelter Program authorized under title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331 et seq.) provides the type of rapid response and assistance most needed by such communities and the Program uses local boards within communities to determine what type of assistance is most appropriate.

(b) PURPOSES.—The purposes of this Act are—

(1) to authorize appropriations to the Emergency Food and Shelter Progam to aid both civilians and military dependents in those communities substantially affected by the mobilization of United States troops in the Persian Gulf; and

(2) to provide that the National Board of the Emergency Food and Shelter Program establish guidelines to distribute the funding to the local boards based upon the percentage of troops in the community population and the percentage of troops sent to the Persian Gulf.

SEC. 3. SUPPLEMENTAL AID TO MILITARY COMMUNITIES.

(a) DEFINITIONS.—As used in this Act:

(1) DURATION OF THE PERSIAN GULF CONFLICT.—The term "duration of the Persian Gulf Conflict" means the period beginning on the date of the enactment of this Act and ending on the date thereafter prescribed by Presidential proclamation or by law.

(2) EMERGENCY FOOD AND SHELTER PROGRAM NATIONAL BOARD.—The term "National Board" means the Emergency Food and Shelter Program National Board established under section 301 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331).

(3) LOCAL BOARD.—The term "local board" means a board constituted under section 302 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11332).

(b) ESTABLISHMENT.—The National Board shall establish a program of grants to local boards to provide assistance in accordance with title III of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11331 et seq.) to persons who reside in a community from which a substantial percentage of members of the Armed Forces residing in the community has been assigned to duty in areas outside the community in connection with the Persian Gulf conflict.

(c) AWARD OF GRANTS.—The National Board shall award grants to local boards and shall establish guidelines that specify the manner in which such grants made available under subsection (b) shall be awarded to such local boards.

(d) DURATION OF GRANTS.—Notwithstanding any other provision of law, local boards may provide assistance under this Act for the duration of the Persian Gulf conflict.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this Act $20,000,000 for fiscal year 1991 and for each subsequent fiscal year for the duration of the Persian Gulf conflict.

By Mr. MCCAIN (for himself, Mr. INOUYE, Mr. DOMENICI, Mr. BURDICK, Mr. GORTON, Mr. SIMON, Mr. MURKOWSKI, Mr. COCHRAN, and Mr. CONRAD):

S. 383. A bill to provide tax incentives for the establishment of tax enterprise zones on Indian reservations, and for other purposes; to the Committee on Finance.

INDIAN ECONOMIC DEVELOPMENT ACT

• Mr. MCCAIN. Mr. President, one of my highest priorities since coming to the Congress in 1982 has been to encourage the development of Indian reservation economies. Establishing this as a priority was not a difficult choice to make. My travels throughout Indian country have made me all too familiar with the unacceptable social and economic conditions that characterize the majority of Indian reservations.

On some Indian reservations, unemployment rates reach 80 to 90 percent, a rate many times the overall U.S. average. The reservation poverty rate was estimated in 1980 by the Census Bureau to be 41 percent, more than three times the overall U.S. rate. I have no doubt that the 1990 figures will be just as bad, if not worse. Without question this level of economic distress—symptoms which most Ameri-

cans associate with Third World countries—has been a major contributor to widespread alcohol and other substance abuse, high suicide rates, the sense of helplessness, and other deep social problems that beset many Indian reservations. It is unconscionable for the Congress to allow these conditions to fester and to fail to take strong steps to assist Indian tribes to improve the quality of life for their people.

In light of past efforts to stimulate reservation economies, I am convinced that new thinking and new strategies are required. Going back to the poverty programs of the 1960's, substantial funds were spent to stimulate reservation development without much beneficial effect. In addition, the Federal Government too often has sought to dictate to Indian tribes. With respect to economic development—as well as many other matters—the Government has said that it knows best. Yet, programs that do not closely reflect the desires and goals of tribal members and that do not have the full commitment of the tribe are bound to fail.

The new thinking I speak about recognizes that tribal governments must be closely involved in the development and implementation of programs intended for their assistance and well-being. Under our constitutional system of Government, the right of tribes to be self-governing and to share in our Federal system must not be diminished.

Of course, a central part of any strategy must be to remove the obstacles that the Federal Government places in the way of Indian economic advance. The Federal bureaucracy all too often stifles Indian business and other initiatives through its complex and impenetrable maze of regulations and other controls over the actions of Indian tribes and individuals. Another important hurdle is taxation. Tax requirements will in some cases swing the balance for or against a business decision to locate on an Indian reservation. Where Federal taxes can have this effect, I would hope the Congress would do all it can to encourage a decision favorable to a reservation location.

Today, I am introducing, along with Senators INOUYE, DOMENICI, BURDICK, GORTON, SIMON, MURKOWSKI, COCHRAN, and CONRAD, the Indian Economic Development Act of 1991. This bill would authorize an experimental program providing a select number of tax incentives on reservations only within newly created enterprise zones. For the time being the total number of Indian enterprise zones would be limited to 12. As this program demonstrates the success which I believe it will, I will urge its extension to additional reservations.

Some will argue that in these times of severe budget pressures the Federal Government cannot afford to offer tax incentives as a tool for tribes to use in their efforts to persuade businesses to locate on reservations. In my opinion, this view is shortsighted and ultimately imposes costs on the Federal Treasury. Does it make more sense to pay someone welfare, or to offer an employment tax credit—often a smaller amount—that leads to the creation of a job and escape from welfare? When few businesses today can be found on reservations and very little corporate income tax is received, I fail to see that any real Federal revenue will be lost by lowering corporate tax rates as an incentive for new businesses to locate on reservations. Indeed, I believe that such incentives will ultimately yield increased Federal revenues and decreased outlays as unemployed and underemployed Indians become employed in such enterprises.

We need to get away from the penny-wise and pound-foolish policies of the past. The use of tax incentives is one of the bold and innovative strategies that our Nation can take to alleviate the high poverty, unemployment, and other social problems afflicting nearly every Indian community across this country. Simple standards of fairness and decency demand no less.

In developing this legislation, I have benefited from the views and advice of tribal leaders from around the country, from the numerous hearings held on Indian economic development in the 100th and 101st Congresses before the Select Committee on Indian Affairs, and through an exchange of views that Senator INOUYE and I had last year with Chairman ROSTENKOWSKI and his staff on the Ways and Means Committee. Several of the tax incentives in my bill are similar to those included in Chairman ROSTENKOWSKI's enterprise zone bill—H.R. 11. Yet, cumulatively I am seeking to provide a stronger overall set of incentives. Simply treating Indian tribes as a State and local government for purposes of enterprise zone legislation will leave tribes at a competitive disadvantage relative to most urban areas. The potential impact would likely be modest when matched against the difficult economic conditions and the great needs of Indian reservations.

The tax incentives contained in the Indian Economic Development Act include: First, wage credits; second, capital gains deferral; third, child care facility investment credits; and fourth, a corporate income tax payment credit.

The bill would also allow tribes to continue to make use of small issue bonds, if the bond revenues are used in an Indian enterprise zone. The enterprise zones would also be eligible to receive priority consideration in the review process for foreign trade zone designation.

Finally, I have included language which would be applicable to all tribes, regardless of whether they received enterprise zone designation. This provision would permit Indian tribes to make use of private activity bonds under the same terms and conditions as State and local governments. Under the Omnibus Reconciliation Act of 1987, tribes were allowed to issue private activity bonds, but only under tightly restricted circumstances which, to my knowledge, have largely precluded the use of these bonds by tribes.

I also want to point out that the bill does not mandate regulations or tax incentives at the tribal level. This is a policy matter that, I believe, is best left for the tribes to decide—keeping in mind that the level of regulation and taxation will be guided by market forces. Each tribe has to determine for itself the type of business climate it wishes to create for private sector businesses.

Many business leaders have shared with me their concerns about doing business on Indian reservations. One fear is the lack of adequate recourse in civil and contract disputes. While the private sector's concerns need to be considered by tribes, I believe a Federal legislative solution to that issue is unnecessary. Indian tribes and businesses are fully capable of working through this area of concern as well as other matters that may arise. There are several examples in my home State of Arizona where large corporations and tribes have fashioned agreements which address all reasonable concerns of both the corporation and the tribe, including conflict resolution and complex jurisdictional issues.

Mr. President, it is my hope that this bill will serve as a focal point for further discussion on the use of Federal tax incentives as a tool for reservation development. I know that President Bush and Secretary Kemp are aware of the need to address the unique circumstances of tribes as a part of the overall effort to enact enterprise zone legislation.

In closing, let me say to my colleagues that it is time to focus our attention on the need to assist tribes to develop stronger reservation economies. We simply cannot continue to ignore the very real human suffering that has plagued native American communities for too long. The renowned Indian law scholar, Felix Cohen, perhaps said it best:

> Like the miner's canary, the Indian marks the shift from fresh air to poison air in our political atmosphere; and our treatment of Indians, even more than our treatment of other minorities, reflects the rise and fall of our political faith.

Mr. President, I ask unanimous consent that a summary of the bill and the bill itself be printed in the RECORD.

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

S. 383

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Indian Economic Development Act of 1991".

SEC. 2. STATEMENT OF PURPOSE.

It is the purpose of this Act to establish a demonstration program for the creation of Indian enterprise zones in order—

(1) to revitalize economically and physically distressed Indian reservation areas, primarily by encouraging the formation of new businesses and the retention and expansion of existing businesses,

(2) to promote meaningful employment for Indians living on or near reservations,

(3) to encourage Indian self-determination by developing viable Indian reservation economies, and

(4) to raise Indian incomes, thereby reducing poverty levels and providing the means for achieving a satisfactory standard of living on Indian reservations.

TITLE I—DESIGNATION AND TAX INCENTIVES

SEC. 101. DESIGNATION AND TREATMENT OF TAX ENTERPRISE ZONES FOR INDIANS.

(a) IN GENERAL.—Chapter 1 of the Internal Revenue Code of 1986 (relating to normal taxes and surtaxes) is amended by inserting after subchapter T the following new subchapter:

"Subchapter U—Designation and Treatment of Indian Enterprise Zones

"Part I. Designation of Indian enterprise zones.

"Part II. Incentives for Indian enterprise zones.

"PART I—DESIGNATION OF INDIAN ENTERPRISE ZONES

"Sec. 1391. Designation procedure.

"Sec. 1392. Eligibility and selection criteria.

"Sec. 1393. Definitions and special rules.

"SEC. 1391. DESIGNATION PROCEDURE.

"(a) IN GENERAL.—For purposes of this title, the term 'Indian enterprise zone' means any area which is, under this part—

"(1) nominated by a tribal government for designation as an Indian enterprise zone, and

"(2) designated by the Secretary of Housing and Urban Development as an Indian enterprise zone.

"(b) NUMBER OF DESIGNATIONS.—

"(1) AGGREGATE LIMIT.—The Secretary of Housing and Urban Development shall designate 12 nominated areas as Indian enterprise zones under this section, subject to the availability of eligible nominated areas. Such designations may be made only during the calendar years 1992 through 1995.

"(2) ANNUAL LIMIT.—The number of designations made under paragraph (1)—

"(A) in calendar year 1992 shall not exceed 5, and

"(B) in calendar year 1993 shall not exceed a total of 9, including designations made in 1992.

"(3) ADVANCE DESIGNATIONS PERMITTED.—For purposes of this subchapter, a designation during any calendar year shall be treated as made on January 1 of the following calendar year if the Secretary of Housing and Urban Development, in making such designation, specifies that such designation is effective as of such January 1.

"(c) LIMITATIONS ON DESIGNATIONS.—The Secretary of Housing and Urban Development may not make any designation under subsection (a) unless—

"(1) the tribal government with jurisdiction over the nominated area has the authority—

"(A) to nominate the area for designation as an Indian enterprise zone,

"(B) to make the tribal commitments under section 1392(c), and

"(C) to provide assurances satisfactory to the Secretary of Housing and Urban Development that such commitments will be fulfilled,

"(2) the tribal government with jurisdiction over the nominated area—

"(A) has designated an allocating official with responsibility for making allocations under section 1397 (relating to overall limitation on zone incentives) and for approving the treatment provided by section 144(a)(13), and

"(B) has established procedures to ensure that allocations under section 1397 are made in a manner designed primarily to increase economic activity in any Indian enterprise zone over that which would otherwise have occurred,

"(3) a nomination of the area is submitted in a reasonable time before the calendar year for which designation as an Indian enterprise zone is sought,

"(4) the Secretary of Housing and Urban Development determines that any information furnished is reasonably accurate,

"(5) the tribal government certifies that no portion of the area nominated is already included in an Indian enterprise zone or in an area otherwise nominated to be an Indian enterprise zone, and

"(6) the Secretary of Housing and Urban Development has consulted with the Secretary of the Interior concerning the proposed designation.

"(d) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

"(1) IN GENERAL.—Any designation of an area as an Indian enterprise zone shall remain in effect during the period beginning on the date of the designation and ending on the earliest of—

"(A) December 31 of the 24th calendar year following the calendar year in which such date occurs,

"(B) the termination date designated by the tribal government as provided for in their nomination pursuant to subsection (c)(3), or

"(C) the date the Secretary of Housing and Urban Development revokes the designation under paragraph (2).

"(2) REVOCATION OF DESIGNATION.—

"(A) IN GENERAL.—The Secretary of Housing and Urban Development may revoke the designation of an area as an Indian enterprise zone if such Secretary determines that the tribal government with jurisdiction—

"(i) has significantly modified the boundaries of the area, or

"(ii) is not complying substantially with the tribal commitments made under section 1392(c).

"(B) APPLICABLE PROCEDURES.—A designation may be revoked by the Secretary of Housing and Urban Development under subparagraph (A) only after a hearing on the record involving officials of the tribal government involved.

"(e) MODIFICATION OF EXISTING ZONE BOUNDARIES.—

"(1) IN GENERAL.—A tribal government with jurisdiction over an Indian enterprise zone may request a modification of the boundaries of such zone if—

"(A) such modification will improve the prospects of attracting businesses to the zone, and

"(B) the resulting zone boundaries will continue to meet the eligibility and selection criteria under section 1392.

"(2) APPROVAL.—Any modification of the boundaries of an Indian enterprise zone shall be approved by the Secretary of Housing and Urban Development.

"SEC. 1392. ELIGIBILITY AND SELECTION CRITERIA.

"(a) IN GENERAL.—The Secretary of Housing and Urban Development may make a designation of any nominated area under section 1391 only on the basis of the eligibility and selection criteria set forth in this section.

"(b) ELIGIBILITY CRITERIA.—A nominated area shall be eligible for designation under section 1391 only if it meets the following criteria:

"(1) POPULATION.—The nominated area has a population (as determined by the most recent census data available) of not less than 75 Indian residents.

"(2) DISTRESS.—The nominated area is one of widespread poverty, unemployment, and general distress.

"(3) SIZE.—The nominated area—

"(A) does not exceed 200 square miles,

"(B) has a boundary which is continuous, or consists of not more than 5 noncontiguous parcels,

"(C) is accessible to a labor force of Indian employees, and

"(D) is located entirely within one Indian reservation.

"(4) UNEMPLOYMENT RATE.—The unemployment rate (as determined by the appropriate available data) for the reservation within which the nominated area is located is not less than 1.5 times the national unemployment rate.

"(5) POVERTY RATE.—The census poverty rate (as determined by the most recent census data available) for the reservation within which the nominated area is located is not less than 20 percent.

"(c) SELECTION CRITERIA.—From among the nominated areas eligible for designation under subsection (b), the Secretary of Housing and Urban Development shall make designations of Indian enterprise zones on the basis of the following factors:

"(1) The willingness of the nominating tribal government to undertake special efforts to attract business to the Indian enterprise zone, including such possibilities as—

"(A) increases in the level, or efficiency of delivery, of tribal services within the Indian enterprise zone,

"(B) actions to reduce, remove, simplify, or streamline government paperwork requirements for obtaining a suitable business site and conducting a business within the Indian enterprise zone,

"(C) the involvement in the enterprise zone program by public authorities or private entities, organizations, foundations, and community groups, particularly those within the nominated area,

"(D) the giving of special preference to contractors owned and operated by Indian groups or individuals,

"(E) the lease at below fair market value of tribal land in the Indian enterprise zone to organizations agreeing to operate a business on the land,

"(F) the adoption of model commercial codes, dispute resolution mechanisms, or other improvements in the legal environment for business within the Indian enterprise zone, and

"(G) the improvement of the physical infrastructure within the Indian enterprise zone.

"(2) The effectiveness and enforceability of the commitments that may be made by the tribe in order to attract business.

"(3) The level of commitments by private entities of additional resources and contribu-

tions to the economy of the nominated area, including the creation of new or expanded business activities.

"(4) The degree of economic and social deprivation on the reservation for which the zone is proposed.

"(5) The economic potential to attract new business enterprises as a result of zone designation, taking into account particularly the number of jobs to be created and retained.

"SEC. 1393. DEFINITIONS AND SPECIAL RULES.

"For purposes of this subchapter—

"(1) INDIAN.—The term 'Indian' means any person who is a member of an Indian tribe.

"(2) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village, or regional or village corporation, as defined in, or established pursuant to, the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"(3) NOMINATED AREA.—The term 'nominated area' means an area which is nominated by 1 or more tribal governments for designation as an Indian enterprise zone under this subchapter.

"(4) RESERVATION.—The term 'reservation' means any 1 Indian reservation, the lands within the boundaries of any 1 former Indian reservation in Oklahoma, or the lands held by incorporated Native groups, regional corporations, or village corporations within the boundaries of any 1 regional corporation under the provisions of the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.).

"(5) TRIBAL GOVERNMENTS.—

"(A) IN GENERAL.—The term 'tribal government' means the legally constituted governing body of an Indian tribe. The term 'tribal government' shall be deemed to include a regional or village corporation under the provisions of the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.).

"(B) SPECIAL RULE.—If more than 1 tribal government seeks to nominate an area as an Indian enterprise zone, any reference to, or requirement of, this subchapter shall apply to all such governments.

"PART II—INCENTIVES FOR INDIAN ENTERPRISE ZONES

"SUBPART A. Indian enterprise zone employment credit.

"SUBPART B. Investment incentives.

"SUBPART C. General provisions.

"Subpart A—Indian Enterprise Zone Employment Credit

"Sec. 1394. Indian enterprise zone employment credit.

"Sec. 1395. Other definitions and special rules.

"SEC. 1394. INDIAN ENTERPRISE ZONE EMPLOYMENT CREDIT.

"(a) AMOUNT OF CREDIT.—

"(1) IN GENERAL.—For purposes of section 38, the Indian enterprise zone employment credit determined under this section with respect to any employer for any taxable year is 10 percent (25 percent in the case of an employer with at least 60 percent Indian employees) of the sum of—

"(A) the qualified zone wages paid or incurred during such taxable year, plus

"(B) qualified zone employee health insurance costs paid or incurred during such taxable year.

"(2) LIMITATION.—The amount of the Indian enterprise zone employment credit of any employer for any taxable year with respect to any Indian enterprise zone shall not exceed the employment credit amount allocated to such employer for such taxable year under section 1397 with respect to such zone.

"(b) QUALIFIED ZONE WAGES; QUALIFIED ZONE EMPLOYEE HEALTH INSURANCE COSTS.—For purposes of this section—

"(1) QUALIFIED ZONE WAGES.—The term 'qualified zone wages' means any wages paid or incurred by an employer for services performed by an employee while such employee is a qualified zone employee.

"(2) QUALIFIED ZONE EMPLOYEE HEALTH INSURANCE COSTS.—

"(A) IN GENERAL.—The term 'qualified zone employee health insurance costs' means any amount paid or incurred by an employer for health insurance to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified zone employee.

"(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

"(c) QUALIFIED ZONE EMPLOYEE.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'qualified zone employee' means, with respect to any period, any employee of an employer if—

"(A) substantially all of the services performed during such period by such employee for such employer are performed within an Indian enterprise zone, and

"(B) the principal place of abode of such employee while performing such services is on or near the reservation in which the zone is located,

"(2) CREDIT ALLOWED ONLY FOR FIRST 7 YEARS.—An employee shall not be treated as a qualified zone employee for any period after the date 7 years after the day on which such employee first began work for the employer (whether or not in an Indian enterprise zone).

"(3) INDIVIDUALS RECEIVING WAGES IN EXCESS OF $30,000 NOT ELIGIBLE.—An employee shall not be treated as a qualified zone employee for any taxable year of the employer if the total amount of the wages paid or incurred by such employer to such employee during such taxable year (whether or not for services in an Indian enterprise zone) exceeds the amount determined at an annual rate of $30,000. The Secretary shall adjust the $30,000 amount contained in the preceding sentence for years beginning after 1991 at the same time and in the same manner as under section 415(d).

"(4) COORDINATION WITH TARGETED JOBS CREDIT.—The term 'qualified zone employee' shall not include any employee if such employee was treated by the employer as a member of a targeted group under section 51 for any taxable year.

"(5) EMPLOYMENT MUST BE TRADE OR BUSINESS EMPLOYMENT.—An employee shall be treated as a qualified zone employee for any taxable year of the employer only if more than 50 percent of the wages paid by the employer to such employee during such taxable year are for services performed in a trade or business of the employer. Any determination as to whether the preceding sentence applies with respect to any employee for any taxable year shall be made without regard to subsection (b) of section 1395.

"(6) CERTAIN INDIVIDUALS NOT ELIGIBLE.—The term 'qualified zone employee' shall not include—

"(A) any individual described in subparagraph (A), (B), or (C) of section 51(i)(1), and

"(B) any 5-percent owner (as defined in section 416(i)(1)(B)).

"(d) EARLY TERMINATION OF EMPLOYMENT BY EMPLOYER.—

"(1) IN GENERAL.—If the employment of any employee is terminated by the taxpayer before the day 1 year after the day on which such employee began work for the employer—

"(A) no wages (or qualified zone employee health insurance costs) with respect to such employee shall be taken into account under subsection (a) for the taxable year in which such employment is terminated, and

"(B) the tax under this chapter for the taxable year in which such employment is terminated shall be increased by the aggregate credits (if any) allowed under section 38(a) for prior taxable years by reason of wages (or qualified zone employee health insurance costs) taken into account with respect to such employee.

"(2) CARRYBACKS AND CARRYOVERS ADJUSTED.—In the case of any termination of employment to which paragraph (1) applies, the carrybacks and carryovers under section 39 shall be properly adjusted.

"(3) SUBSECTION NOT TO APPLY IN CERTAIN CASES.—

"(A) IN GENERAL.—Paragraph (1) shall not apply to—

"(i) a termination of employment of an employee who voluntarily leaves the employment of the taxpayer,

"(ii) a termination of employment of an individual who before the close of the period referred to in paragraph (1) becomes disabled to perform the services of such employment unless such disability is removed before the close of such period and the taxpayer fails to offer reemployment to such individual, or

"(iii) a termination of employment of an individual if it is determined under the applicable State unemployment compensation law that the termination was due to the misconduct of such individual.

"(B) CHANGES IN FORM OF BUSINESS.—For purposes of paragraph (1), the employment relationship between the taxpayer and an employee shall not be treated as terminated—

"(i) by a transaction to which section 381(a) applies if the employee continues to be employed by the acquiring corporation, or

"(ii) by reason of a mere change in the form of conducting the trade or business of the taxpayer if the employee continues to be employed in such trade or business and the taxpayer retains a substantial interest in such trade or business.

"(4) SPECIAL RULE.—Any increase in tax under paragraph (1) shall not be treated as a tax imposed by this chapter for purposes of—

"(A) determining the amount of any credit allowable under this chapter, and

"(B) determining the amount of the tax imposed by section 55.

"SEC. 1395. OTHER DEFINITIONS AND SPECIAL RULES.

"(a) WAGES.—For purposes of this subpart, the term 'wages' has the same meaning as when used in section 51 except that paragraph (4) of section 51(c) shall not apply.

"(b) CONTROLLED GROUPS.—For purposes of this subpart—

"(1) all employers treated as a single employer under subsection (a) or (b) of section 52 shall be treated as a single employer for purposes of this subpart, and

"(2) the credit (if any) determined under section 1394 with respect to each such employer shall be its proportionate share of the

wages and qualified zone employee health insurance costs giving rise to such credit.

"(c) CERTAIN OTHER RULES MADE APPLICABLE.—For purposes of this subpart, rules similar to the rules of section 51(k) and subsections (c), (d), and (e) of section 52 shall apply.

"SUBPART B—INVESTMENT INCENTIVES

"Sec. 1396. Deferral of capital gain reinvested in Indian enterprise zone property.

"Sec. 1396A. Indian enterprise zone child care facility credit.

"Sec. 1396B. Indian enterprise zone tax payment credit.

"SEC. 1396. DEFERRAL OF CAPITAL GAIN REINVESTED IN INDIAN ENTERPRISE ZONE PROPERTY.

"(a) GENERAL RULE.—

"(1) DEFERRAL.—Except as otherwise provided in this section, any qualified reinvested capital gain shall be taken into account for purposes of this title—

"(A) in the 9th taxable year following the taxable year of the sale or exchange, or

"(B) in such earlier taxable year (or years) following the taxable year of the sale or exchange as the taxpayer may provide.

"(2) LIMITATION.—The amount of the gain to which paragraph (1) applies shall not exceed the capital gain deferral amount allocated to the taxpayer for the taxable year of the sale or exchange under section 1397.

"(b) QUALIFIED REINVESTED CAPITAL GAIN.—For purposes of this section—

"(1) QUALIFIED REINVESTED CAPITAL GAIN.—The term 'qualified reinvested capital gain' means the amount of any long-term capital gain (determined without regard to this section) from any sale or exchange to which an election under this section applies but only to the extent that the amount of such gain exceeds the excess (if any) of—

"(A) the amount realized on such sale or exchange, over

"(B) the cost of any qualified zone property which—

"(i) is purchased by the taxpayer during the reinvestment period, and

"(ii) the taxpayer elects to take into account under this paragraph with respect to such sale or exchange.

For purposes of subparagraph (B), the cost of any property shall be reduced by the portion of such cost previously taken into account under this paragraph.

"(2) QUALIFIED ZONE PROPERTY.—

"(A) IN GENERAL.—The term 'qualified zone property' means—

"(i) any tangible property if substantially all of the use of such property is in an Indian enterprise zone and is in the active conduct of a trade or business in such zone, and

"(ii) any qualified zone equity investment.

"(B) QUALIFIED ZONE EQUITY INVESTMENT.—The term 'qualified zone equity investment' means any stock in a corporation or partnership interest in a partnership if—

"(i) at the time such stock or partnership interest is issued—

"(I) substantially all of the activities of the corporation or partnership (as the case may be) involve the active conduct of 1 or more trades or businesses in one or more Indian enterprise zones, or

"(II) in the case of a new corporation or partnership, such corporation or partnership (as the case may be) is being organized for purposes of engaging in activities substantially all of which will involve such active conduct, and

"(ii) such stock or partnership interest was issued by the corporation or partnership to the taxpayer in exchange for money or other property (other than stock and securities).

"(3) REINVESTMENT PERIOD.—The term 'reinvestment period' means, with respect to any sale or exchange, the period beginning on the date of such sale or exchange and ending on the day 2 years after the close of the taxable year in which such sale or exchange occurs.

"(4) PURCHASE.—The term 'purchase' has the meaning given to such term by section 179(d)(2).

"(c) TERMINATION OF DEFERRAL IN CERTAIN CASES.—

"(1) CERTAIN DISPOSITIONS, ETC., OF REPLACEMENT PROPERTY.—

"(A) IN GENERAL.—If the taxpayer disposes of any qualified zone property (or such property otherwise ceases to be qualified zone property) before the date 5 years after the date of its purchase—

"(i) any amount treated as a qualified reinvested capital gain by reason of the purchase of such property (to the extent not previously taken into account under subsection (a)) shall be taken into account for the taxable year in which such disposition or cessation occurs, and

"(ii) the tax imposed by this chapter for the taxable year in which such disposition or cessation occurs shall be increased by interest at the underpayment rate (established under section 6621(a)(2))—

"(I) on the additional tax which would have been imposed under this chapter (but for this section) for the taxable year of the sale or exchange, and

"(II) for the period of the deferral under this section.

Any increase in tax under clause (ii) shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit allowable under this chapter or the amount of the minimum tax imposed by section 55.

"(B) SPECIAL RULE FOR QUALIFIED ZONE EQUITY INVESTMENT.—

"(i) IN GENERAL.—For purposes of subparagraph (A), any qualified zone equity investment in any corporation or partnership shall be treated as ceasing to be qualified zone property as of the close of any taxable year of such corporation or partnership beginning after the issuance of such investment unless at least 80 percent of the total gross income of such corporation or partnership for such taxable year was derived from the active conduct of a trade or business within an Indian enterprise zone.

"(ii) SPECIAL RULE.—For purposes of clause (i) the determination of whether any area is an Indian enterprise zone shall be made as of the date the qualified zone equity investment was issued.

"(C) EXCEPTIONS.—Subparagraph (A) shall not apply to—

"(i) a disposition in a transaction to which section 381(a) applies, or

"(ii) any disposition in a compulsory or involuntary conversion (within the meaning of section 1033).

For purposes of subparagraph (A), property shall not be treated as disposed of (or otherwise ceasing to be qualified zone property) by reason of a mere change in the form of conducting the trade or business so long as the property is retained in such trade or business as qualified zone property and the taxpayer retains a substantial interest in such trade or business.

"(D) TRANSFERS BETWEEN SPOUSES OR INCIDENT TO DIVORCE.—In the case of any transfer described in subsection (a) of section 1041—

"(i) subparagraph (A) of this paragraph shall not apply, and

"(ii) any disposition (or change in use) by the transferee shall be treated as a disposition or change in use by the transferor.

"(2) LAST TAXABLE YEAR.—In the case of the last taxable year of any taxpayer, any qualified reinvestment capital gain (to the extent not previously taken into account under subsection (a)) shall be taken into account for such last taxable year. The preceding sentence shall not apply in the case of a transaction to which section 381(a) applies.

"(d) COORDINATION WITH INSTALLMENT METHOD REPORTING.—This section shall not apply to any gain from any installment sale (as defined in section 453(b)) if section 453(a) applies to such sale.

"(e) STATUTE OF LIMITATIONS.—If any gain is realized by the taxpayer on any sale or exchange to which an election under this section applies, then—

"(1) the statutory period for the assessment of any deficiency with respect to such gain shall not expire before the expiration of 3 years from the date the Secretary is notified by the taxpayer (in such manner as the Secretary may by regulations prescribe) of—

"(A) the taxpayer's cost of purchasing any qualified zone property,

"(B) the taxpayer's intention not to purchase qualified zone property within the reinvestment period, or

"(C) a failure to make such purchase within the reinvestment period, and

"(2) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any law or rule of law which would otherwise prevent such assessment.

"SEC. 1396A. INDIAN ENTERPRISE ZONE CHILD CARE FACILITY CREDIT.

"(a) AMOUNT OF CREDIT.—

"(1) IN GENERAL.—For purposes of section 38, the Indian enterprise zone child care facility credit determined under this section for any taxable year is an amount equal to 25 percent of so much of the qualified child care expenses of the taxpayer for such taxable year as does not exceed $400,000.

"(2) PRIOR EXPENDITURES BY TAXPAYER TAKEN INTO ACCOUNT.—If for any prior year a credit was allowed to the taxpayer under this section, paragraph (1) shall be applied for the taxable year with respect to qualified child care expenses by reducing the dollar amount contained in such paragraph by the prior year expenditures taken into account under such paragraph.

"(b) LIMITATION.—The amount of the Indian enterprise zone child care facility credit of any taxpayer for any taxable year with respect to any Indian enterprise zone shall not exceed the child care facility credit amount allocated to such taxpayer for such taxable year under section 1397 with respect to such zone.

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

"(1) QUALIFIED CHILD CARE EXPENSES.—The term 'qualified child care expenses' means any amount paid or incurred by a taxpayer during the taxable year to acquire, construct, or rehabilitate a qualified child care facility. For purposes of the preceding sentence, any rehabilitation of a qualified child care facility shall include the provision for an additional 10 enrollees.

"(2) QUALIFIED CHILD CARE FACILITY.—

"(A) IN GENERAL.—The term 'qualified child care facility' means a facility in an Indian enterprise zone—

"(i) operated by the taxpayer for the care of enrollees who reside in such zone and

available to dependents of employees of such taxpayer, and

"(ii) which is accredited or licensed to operate as a child care facility under applicable tribal laws and regulations.

"(B) MULTIPLE TAXPAYERS.—In the case of a facility operated by more than 1 taxpayer, such facility shall be treated as a qualified child care facility of each taxpayer with respect to which the requirements of subparagraph (A) are met separately.

"(d) BASIS ADJUSTMENTS.—For purposes of this subtitle, if a credit is allowed under this section for any expenditure with respect to any property, the increase in the basis of such property which would (but for this subsection) result from such expenditure shall be reduced by the amount of the credit so allowed.

"(e) RECAPTURE OF CREDIT.—

"(1) IN GENERAL.—If, as of the close of any taxable year, there is a recapture event with respect to any qualified child care facility, then the tax of the taxpayer under this chapter for such taxable year shall be increased by an amount equal to the product of—

"(A) the applicable recapture percentage, and

"(B) the aggregate decrease in the credits allowed under section 38 for all prior taxable years which would have resulted from the nonallowance of the credit described under subsection (a).

"(2) APPLICABLE RECAPTURE PERCENTAGE.—

"(A) IN GENERAL.—For purposes of this subsection, the applicable recapture percentage shall be determined from the following table:

"If the recapture event occurs in:	The applicable recapture percentage is:
Year 1	100
Year 2	66⅔
Year 3	33⅓
Years 4 and thereafter	0 .

"(B) For purposes of subparagraph (A), year 1 shall begin on the first day of the taxable year in which the qualified child care facility is placed into service by the taxpayer.

"(3) RECAPTURE EVENT DEFINED.—For purposes of this subsection, the term 'recapture event' means—

"(A) CESSATION OF OPERATION.—The cessation of the operation of the facility as a qualified child care facility.

"(B) CHANGE IN OWNERSHIP.—

"(i) IN GENERAL.—Except as provided in clause (ii), the disposition of a person's interest in a qualified child care facility with respect to which the credit described in subsection (a) was allowable.

"(ii) AGREEMENT TO ASSUME CREDIT ALLOWANCE AND RECAPTURE LIABILITY.—Clause (i) shall not apply if the person acquiring such interest in the facility agrees in writing to assume the recapture liability of the person disposing of such interest in effect immediately before such disposition. In the event of such an assumption, the person acquiring the interest in the facility shall be treated as the taxpayer for purposes of assessing any recapture liability (computed as if there had been no change in ownership).

"(4) SPECIAL RULES.—

"(A) TAX BENEFIT RULE.—The tax for the taxable year shall be increased under paragraph (1) only with respect to credits allowed by reason of this section which were used to reduce tax liability. In the case of credits not so used to reduce tax liability, the carryforwards and carrybacks under section 39 shall be appropriately adjusted.

"(B) NO CREDITS AGAINST TAX.—Any increase in tax under this subsection shall not be treated as a tax imposed by this chapter for purposes of determining the amount of any credit under subpart A, B, or D of part IV of subchapter A.

"(C) NO RECAPTURE BY REASON OF CASUALTY LOSS.—The increase in tax under this subsection shall not apply to a cessation of operation of the facility as a qualified child care facility by reason of a casualty loss to the extent such loss is restored by reconstruction or replacement within a reasonable period established by the Secretary.

"(f) SPECIAL AGGREGATION AND ALLOCATION RULES.—For purposes of this section—

"(1) AGGREGATION OF EXPENDITURES.—

"(A) CONTROLLED GROUP OF CORPORATIONS.—In determining the amount of the credit under this section—

"(i) all members of the same controlled group of corporations shall be treated as a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such member shall be its proportionate share of the qualified child care expenses giving rise to the credit.

"(B) COMMON CONTROL.—Under regulations prescribed by the Secretary, in determining the amount of the credit under this section—

"(i) all trades or businesses (whether or not incorporated) which are under common control shall be treated as a single taxpayer, and

"(ii) the credit (if any) allowable by this section to each such person shall be its proportionate share of the qualified child care expenses giving rise to the credit.

The regulations prescribed under this subparagraph shall be based on principles similar to the principles which apply in the case of subparagraph (A).

"(2) ALLOCATIONS.—

"(A) ALLOCATION IN CASE OF MULTIPLE EMPLOYERS.—In the case of employers to which subsection (c)(2)(B) applies, the amount of credit allocable to each such employer shall be its proportionate share of the qualified child care expenses giving rise to the credit.

"(B) PASS-THRU IN THE CASE OF ESTATES AND TRUSTS.—Under regulations prescribed by the Secretary, rules similar to the rules of subsection (d) of section 52 shall apply.

"(C) ALLOCATION IN THE CASE OF PARTNERSHIPS.—In the case of partnerships, the credit shall be allocated among partners under regulations prescribed by the Secretary.

"(3) CONTROLLED GROUP OF CORPORATIONS.—The term 'controlled group of corporations' has the same meaning given to such term by section 1563(a), except that—

"(A) 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in section 1563(a)(1), and

"(B) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

"(g) SPECIAL RULE FOR PASS-THRU OF CREDIT.—In the case of an individual who—

"(1) owns an interest in an unincorporated trade or business,

"(2) is a partner in a partnership,

"(3) is a beneficiary of an estate or trust, or

"(4) is a shareholder in an S corporation,

the amount allowable under subsection (a) for any taxable year shall not exceed an amount (separately computed with respect to such person's interest in such trade or business or entity) equal to the amount of tax attributable to that portion of a person's taxable income which is allocable or apportionable to the person's interest in such trade or business or entity.

"SEC. 1396B. INDIAN ENTERPRISE ZONE TAX PAYMENT CREDIT.

"(a) AMOUNT OF CREDIT.—

"(1) IN GENERAL.—There shall be allowed as a credit against the tax imposed by this chapter an amount equal to the lesser of—

"(A) the portion of the tax which is attributable to 50 percent of the taxable income for the taxable year from the active conduct of an Indian enterprise zone business, or

"(B) $8,000 multiplied by the number of full-time Indian employees of such business during such taxable year.

"(2) LIMITATION.—The amount of the Indian enterprise zone tax payment credit of any taxpayer for any taxable year with respect to any Indian enterprise zone shall not exceed the tax payment credit amount allocated to such taxpayer for such taxable year under section 1397 with respect to such zone.

"(b) APPLICATION WITH OTHER CREDITS.—The credit allowed by subsection (a) for any taxable year shall not exceed the excess (if any) of—

"(1) the regular tax for the taxable year reduced by the sum of the credits allowable under subparts A, B, and D of part IV of subchapter A of this chapter, over

"(2) the tentative minimum tax for the taxable year.

"(c) AMOUNTS RECEIVED OUTSIDE THE INDIAN ENTERPRISE ZONE.—In determining taxable income for purposes of subsection (a), income shall not be treated as attributable to the active conduct of an Indian enterprise zone business if it is received outside of the Indian enterprise zone. The preceding sentence shall not apply to amounts received from a person who is not a related person.

"(d) INDIAN ENTERPRISE ZONE BUSINESS.—For purposes of this section—

"(1) IN GENERAL.—The term 'Indian enterprise zone business' means any person—

"(A) which is actively engaged in the conduct of a trade or business on an Indian enterprise zone during the taxable year,

"(B) with respect to which the income requirements of paragraph (2) are met, and

"(C) substantially all of the assets of which are located within the Indian enterprise zone.

"(2) INCOME ELIGIBILITY REQUIREMENTS.—The requirements of this paragraph are met if:

"(A) 80 PERCENT TEST.—80 percent or more of the gross income of the trade or business for the 3-year period immediately preceding the close of the taxable year (or such portion of such period as may be applicable) was derived from sources within an Indian enterprise zone.

"(B) 75 PERCENT TEST.—75 percent or more of the gross income for the period described in subparagraph (A) was derived from the active conduct of a trade or business within an Indian enterprise zone.

"Subpart C—General Provisions

"Sec. 1397. Overall limitation on zone incentives.

"Sec. 1397A. Regulations.

"SEC. 1397. OVERALL LIMITATION ON ZONE INCENTIVES.

"(a) GENERAL RULE.—The allocating official with respect to each Indian enterprise zone shall make allocations of—

"(1) employment credit amounts,

"(2) capital gain deferral amounts,

"(3) child care facility amounts, and

"(4) tax payment credit amounts.

"(b) LIMITATION ON AGGREGATE AMOUNTS ALLOCATED.—

"(1) LIMITATION.—

"(A) IN GENERAL.—No amount may be allocated under subsection (a) by the allocating

official with respect to any Indian enterprise zone if such allocation would result in the zone limit for the calendar year of the allocation (or any succeeding calendar year) being reduced below zero.

"(B) COORDINATION WITH INCREASE.—For purposes of applying subparagraph (A) to an allocation during any calendar year, it shall be assumed that no increase in the zone limit will be made under paragraph (2)(B) for any succeeding calendar year unless—

"(i) the allocating official provides assurances satisfactory to the Secretary that the Indian enterprise zone will be entitled to such an increase for such succeeding calendar year, and

"(ii) the tribal government agrees to such recapture provisions as the Secretary may require in cases where such zone is not entitled to such increase.

"(2) ZONE LIMIT.—For purposes of this section—

"(A) BASIC AMOUNT.—

"(i) IN GENERAL.—Except as provided in subparagraph (B), the zone limit for any Indian enterprise zone for any calendar year is the sum of—

"(I) $10,000,000, plus

"(II) the amount determined under clause (ii) with respect to such zone.

"(ii) AMOUNT ALLOCATED ON POPULATION.—The amount determined under this clause with respect to any Indian enterprise zone is the amount which bears the same ratio to $50,000,000 as—

"(I) the population of the reservation in which the zone is located, bears to

"(II) the total population of all reservations containing Indian enterprise zones designated during such calendar year.

"(iii) SPECIAL RULE.—In any case where fewer or more than 5 Indian enterprise zones are designated during any calendar year, clause (ii) shall be applied by substituting for '$50,000,000' an amount equal to $50,000,000 multiplied by a fraction—

"(I) the numerator of which is the number of Indian enterprise zones designated during such calendar year, and

"(II) the denominator of which is 5.

"(B) INCREASE IN LIMIT FOR CERTAIN TRIBAL, STATE OR LOCAL EXPENDITURES.—

"(i) IN GENERAL.—The amount of the zone limit for any Indian enterprise zone for any calendar year shall be increased by the lesser of—

"(I) 10 percent of the limit determined under subparagraph (A), or

"(II) the amount determined under clause (ii) with respect to such zone for such calendar year.

"(ii) AMOUNT OF INCREASE.—For purposes of clause (i), the amount determined under this clause with respect to any Indian enterprise zone for any calendar year is the sum of—

"(I) the tribal, State, and local business incentives with respect to such zone for the preceding calendar year, and

"(II) the qualified tribal, State, and local governmental expenditures with respect to such zone for the preceding calendar year.

"(3) DEFINITIONS.—For purposes of this subsection—

"(A) TRIBAL, STATE, AND LOCAL BUSINESS INCENTIVES.—The tribal, State, and local business incentives with respect to any Indian enterprise zone for any calendar year is the sum of—

"(i) the aggregate of property tax or sales tax abatements provided during tribal, State, or local fiscal years ending in such calendar year with respect to otherwise taxable property or sales in such zone,

"(ii) the aggregate grants made by any tribe, State, or local government during such fiscal years to startup and other small business concerns in such zone, plus

"(iii) 5 percent of the total outstanding balance (as of the close of such fiscal years) of loans made by any tribe, State, or local government to startup and other small business concerns in such zone.

No loan shall be taken into account under clause (iii) unless the tribe, State, or local government bears the risk of any default with respect to such loan.

"(B) QUALIFIED TRIBAL, STATE, AND LOCAL GOVERNMENTAL EXPENDITURES.—

"(i) IN GENERAL.—The qualified tribal, State, and local governmental expenditures with respect to any Indian enterprise zone for any calendar year shall be the excess (if any) of—

"(I) the specified expenditures during tribal, State, or local fiscal years ending in such calendar year with respect to such zone, over

"(II) the adjusted base period expenditures for such zone.

"(ii) SPECIFIED EXPENDITURES.—For purposes of this subparagraph, the term 'specified expenditures' means—

"(I) any expenditures by any tribal, State, or local government for the acquisition, construction, repair, or maintenance of public improvements or facilities in the Indian enterprise zone, plus

"(II) any expenditures by any tribal, State, or local government for police or fire protection to the extent allocable to the Indian enterprise zone.

"(iii) ADJUSTED BASE PERIOD EXPENDITURES.—For purposes of this subparagraph, the term 'adjusted base period expenditures' means, with respect to any calendar year—

"(I) the aggregate specified expenditures during tribal, State, or local fiscal years ending in calendar year 1990 with respect to the Indian enterprise zone, increased by

"(II) the cost-of-living adjustment for the calendar year for which the increase is being determined (as determined under section 1(f)(3) by substituting '1990' for '1987').

"(iv) ADJUSTMENT FOR CERTAIN CAPITAL EXPENDITURES.—For purposes of clause (iii)(I), the Secretary of Housing and Urban Development may disregard any expenditures if such Secretary determines that such expenditures were unusual and not recurring and that inclusion of such expenditures would not be consistent with the purposes of this section.

"(C) DETERMINATIONS BY SECRETARY OF HOUSING AND URBAN DEVELOPMENT.—The amount of the tribal, State, and local business incentives and qualified tribal, State, or local governmental expenditures with respect to any Indian enterprise zone for any calendar year shall be determined by the Secretary of Housing and Urban Development and certified to the Secretary of the Treasury or his delegate.

"(D) SMALL BUSINESS CONCERN.—The term 'small business concern' has the meaning given such term by section 3(a) of the Small Business Act (15 U.S.C. 632(a)).

"(c) OPERATING RULES.—

"(1) EMPLOYMENT CREDIT AMOUNTS.—Any allocation of an employment credit amount—

"(A) shall specify the employer and taxable year to which such allocation applies; and

"(B) shall reduce the zone limit for the calendar year in which such taxable year begins by _____ cents for each dollar of the amount so allocated.

"(2) CAPITAL GAINS DEFERRAL AMOUNT.—Any allocation of capital gains deferral amount—

"(A) shall specify the taxpayer and the taxable year to which such allocation applies, and

"(B) shall reduce the zone limit for the calendar year in which such taxable year begins by _____ cents for each dollar of the amount so allocated.

"(3) CHILD CARE FACILITY CREDIT AMOUNT.—Any allocation of a child care facility credit amount—

"(A) shall specify the taxpayer and taxable year to which such allocation applies, and

"(B) shall reduce the zone limit for the calendar year in which such taxable year begins by _____ cents for each dollar of the amount so allocated.

"(4) TAX PAYMENT CREDIT AMOUNT.—Any allocation of a tax payment credit amount—

"(A) shall specify the taxpayer and taxable year to which such allocation applies, and

"(B) shall reduce the zone limit for the calendar year in which such taxable year begins by _____ cents for each dollar of the amount so allocated.

"(d) RETROACTIVE ALLOCATIONS NOT EFFECTIVE.—

"(1) IN GENERAL.—No retroactive allocation under subsection (a) shall be effective.

"(2) RETROACTIVE ALLOCATION.—For purposes of subsection (a), the term 'retroactive allocation' means any allocation of—

"(A) an employment credit amount after the beginning of the taxable year to which such allocation applies,

"(B) a capital gains deferral amount after the sale or exchange involved,

"(C) a child care facility credit amount after the beginning of the taxable year to which such allocation applies, or

"(D) a tax payment credit amount after the beginning of the taxable year to which such allocation applies.

"(e) ALLOCATING OFFICIAL.—For purposes of this section, the term 'allocating official' means the official appointed as provided in section 1391(c)(2) as the official responsible for making allocations under this section.

"SEC. 1397A. REGULATIONS.

"The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this part, including—

"(1) regulations limiting the benefit of this part in circumstances where such benefits, in combination with benefits provided under other Federal programs, would result in an activity being 100 percent or more subsidized by the Federal Government, and

"(2) regulations preventing avoidance of the provisions of this part."

(b) CLERICAL AMENDMENT.—The table of subchapters for chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to subchapter T the following new item:

"Subchapter U. Designation and treatment of Indian enterprise zones."

SEC. 102. CONTINUATION OF QUALIFIED SMALL ISSUE BONDS FOR INDIAN ENTERPRISE ZONES.

Subsection (a) of section 144 of the Internal Revenue Code of 1986 (relating to qualified small issue bonds) is amended by adding at the end thereof the following new paragraph:

"(13) EXCEPTION FROM TERMINATION FOR INDIAN ENTERPRISE ZONE PROPERTY.—

"(A) IN GENERAL.—Paragraph (12)(A) shall not apply to an issue—

"(i) which is described in paragraph (12)(B) determined by only taking into account property located in an Indian enterprise zone, and

"(ii) which is approved by the official designated under section 1391(c)(2) for such zone.

"(B) PROPERTY WHICH CEASES TO BE USED IN A ZONE.—If—

"(i) financing is provided for any property from the proceeds of any issue to which subparagraph (A) applies, and

"(ii) such property ceases to be used primarily in an Indian enterprise zone (other than by reason of the termination of the designation of such zone under subparagraph (A) or (B) of section 1391(d)(1)),

no deduction shall be allowed under this chapter for interest on such financing which accrues after the date of such cessation."

SEC. 103. TAX-EXEMPT BONDS ISSUED BY INDIAN TRIBAL GOVERNMENTS.

Section 7871 of the Internal Revenue Code of 1986 (relating to Indian tribal governments treated as States for certain purposes) is amended by striking subsection (c) and redesignating subsection (d) as subsection (c).

SEC. 104. TECHNICAL AND CONFORMING AMENDMENTS.

(a) MINIMUM TAX.—Subsection (a) of section 56 of the Internal Revenue Code of 1986 (relating to adjustments in computing alternative minimum taxable income) is amended by adding at the end thereof the following new paragraph:

"(9) INDIAN ENTERPRISE ZONE PROVISIONS.—The provisions of part II of subchapter U shall not apply."

(b) INDIAN ENTERPRISE ZONE EMPLOYMENT CREDIT AND CHILD CARE FACILITY CREDIT PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 of such Code (relating to general business credit) is amended by striking "plus" at the end of paragraph (6), by striking the period at the end of paragraph (7) and inserting a comma, and by adding at the end thereof the following new paragraphs:

"(8) the Indian enterprise zone employment credit determined under section 1394(a), and

"(9) the Indian enterprise zone child care facility credit determined under section 1396A(a)."

(c) DENIAL OF DEDUCTION FOR PORTION OF WAGES EQUAL TO INDIAN ENTERPRISE ZONE EMPLOYMENT CREDIT.—

(1) Subsection (a) of section 280C of such Code (relating to certain expenses for which credits are allowable) is amended—

(A) by striking "the amount of the credit determined for the taxable year under section 51(a)" and inserting "the sum of the credits determined for the taxable year under sections 51(a) and 1394(a)", and

(B) by striking "TARGETED JOBS CREDIT" in the subsection heading and inserting "EMPLOYMENT CREDITS".

(2) Subsection (c) of section 196 of such Code (relating to deduction for certain unused business credits) is amended by striking "and" at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting a comma, and by adding at the end thereof the following new paragraphs:

"(6) the Indian enterprise zone employment credit determined under section 1394(a), and

"(7) the Indian enterprise zone child care facility credit determined under section 1396A(a)."

(d) OTHER AMENDMENTS.—

(1) Subsection (c) of section 381 of such Code (relating to carryovers in certain corporate acquisitions) is amended by adding at the end thereof the following new paragraph:

"(26) INDIAN ENTERPRISE ZONE PROVISIONS.—The acquiring corporation shall take into account (to the extent proper to carry out the purposes of this section and subchapter U, and under such regulations as may be prescribed by the Secretary) the items required to be taken into account for purposes of subchapter U in respect of the distributor or transferor corporation."

(2) Paragraph (1) of section 1371(d) of such Code (relating to coordination with investment credit recapture) is amended by inserting before the period at the end thereof the following "section 1394(d)(3)(B) and the last sentence of section 1396(c)(1)(C)".

SEC. 105. EFFECTIVE DATE.

(a) GENERAL RULE.—Except as provided in subsection (b), the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) BONDS.—The amendments made by sections 102 and 103 of this title shall apply with respect to bonds issued on or after the date of the enactment of this Act.

(c) REQUIREMENT FOR HUD REGULATIONS.—Not later than the date 4 months after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall issue regulations—

(1) establishing the procedures for nominating areas for designation as Indian enterprise zones, and

(2) establishing a method for comparing the factors listed in section 1392(c) of the Internal Revenue Code of 1986 (as added by this title).

TITLE II—ESTABLISHMENT OF FOREIGN-TRADE ZONES IN INDIAN ENTERPRISE ZONES

SEC. 201. FOREIGN-TRADE ZONE PREFERENCES.

(a) PREFERENCE IN ESTABLISHMENT OF FOREIGN-TRADE ZONES IN INDIAN ENTERPRISE ZONES.—In processing applications for the establishment of foreign-trade zones pursuant to an Act entitled "To provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes," approved June 18, 1934 (19 U.S.C. 81a-81u), the Foreign-Trade Zone Board shall consider on a priority basis and expedite, to the maximum extent possible, the processing of any application involving the establishment of a foreign-trade zone within an Indian enterprise zone designated pursuant to section 1391 of the Internal Revenue Code of 1986 (as added by this Act).

(b) APPLICATION PROCEDURE.—In processing applications for the establishment of ports of entry pursuant to an Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and fifteen, and for other purposes," approved August 1, 1914 (19 U.S.C. 2), the Secretary of the Treasury shall consider on a priority basis and expedite, to the maximum extent possible, the processing of any application involving the establishment of a port of entry which is necessary to permit the establishment of a foreign-trade zone within an Indian enterprise zone.

(c) APPLICATION EVALUATION.—In evaluating applications for the establishment of foreign-trade zones and ports of entry in connection with Indian enterprise zones, the Foreign-Trade Zone Board and the Secretary of the Treasury shall approve the applications, to the maximum extent practicable, consistent with their respective statutory responsibilities.

TITLE III—STUDY

SEC. 301. STUDY OF EFFECTIVENESS OF TAX ENTERPRISE ZONE INCENTIVES.

(a) IN GENERAL.—The Secretary of the Treasury and the Comptroller General shall each conduct a study of the overall impact of this Act, including the effectiveness of the incentives provided in attracting businesses to Indian reservations.

(b) REPORT.—The report of each such study shall be submitted not later than July 1, 1995, to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

SUMMARY OF THE INDIAN ECONOMIC DEVELOPMENT ACT OF 1991

GOALS

1. To revitalize economically and physically distressed Indian reservations, primarily by encouraging the formation of new businesses and the retention and expansion of existing businesses;

2. To promote meaningful employment for Indians living on or near reservations;

3. To encourage self determination by developing viable reservation economies; and

4. To raise Indian incomes, thereby reducing poverty levels and providing the means for achieving a satisfactory standard of living on Indian reservations.

NOMINATION CRITERIA

The Secretary of Housing and Urban Development in consultation with the Secretary of the Interior is to designate 12 demonstration Indian tax enterprise zones (EZ's). The Secretary is to apply certain criteria discussed below to rank those applications submitted by Tribal governments. No more than five zones are to be designated in 1992, and no more than four additional zones in 1993. The following requirements must be met by any nominated area.

1. Population. The area must have a population of at least 75 residents.

2. Distress. The area must be one of widespread poverty, unemployment, and general distress.

3. Size. The nominated area may not exceed 200 square miles. The boundary must be continuous or consist of not more than five noncontiguous parcels. The EZ must be accessible to a labor force of Indian employees, and the EZ must be located entirely within one Indian reservation.

4. Unemployment rate. The unemployment rate for the reservation must be not less than 1.5 times the national unemployment rate, as determined by the appropriate available data.

5. Poverty rate. The poverty rate for the reservation must be at least 20 percent, as determined by the most recent census data available.

SELECTION CRITERIA

From all the areas nominated for EZ designation, the Secretary shall make the selection based on the following factors:

1. The willingness of the nominating tribal government to undertake special efforts to attract businesses to EZs, including such possibilities as:

a. An increase in the level of public services, or in the efficiency of the delivery of public services, within the EZ.

b. Actions to reduce, remove, simplify, or streamline paperwork requirements relating to the obtaining of a suitable business site or other aspects of the conduct of business within the EZ.

c. Involvement in the EZ program by public authorities or private entities, organizations, neighborhood associations, and community groups.

d. The giving of special preference to contractors owned and operated by Indian groups or individuals.

e. The lease at below fair market value of land in the EZ to organizations agreeing to operate a business on the land.

f. The adoption of modern commercial codes, dispute resolution mechanisms, or other improvements in the legal environment for businesses within the EZ, and

g. The improvement of the physical infrastructure within the EZ.

2. The effectiveness and degree of assurance that the tribal commitments to make efforts to attract business to the EZ will be carried out.

3. The level of commitments by private entities of additional resources and contributions to the economy of the EZ, including the creation of new or expanded business activities.

4. The degree of social and economic deprivation on the reservation for which the EZ is proposed.

5. The economic potential for the attraction of busines enterprises as a result of EZ designation, taking into account particularly the number of jobs to be created and retained.

TAX INCENTIVES

Businesses locating within an EZ will receive certain tax incentives for a period to be designated by the tribal government but not to exceed 25 years.

1. Wage credit.

a. If an EZ business has more than 60 percent Indian employees, the employer will be permitted to claim a credit equal to 25 percent of (a) wages paid by this business plus (b) the cost of health insurance provided to employees. No credit may be claimed with respect to employees earnng wages in excess of $30,000 per year.

b. If an EZ employer has a work force composed of fewer than 60 percent Indian employees, the wage and health insurance credit will be 10 percent.

2. Capital gain deferral. Income taxes on capital gains will be deferred for up to 10 years, if the capital gain is reinvested within an EZ. Eligible capital gains can be obtained on or off the reservation. The reinvestment must be maintained for at least five years to obtain this tax benefit.

3. Child Care Facility Investment Credit. A 25 percent credit will be provided to employers and others who make investments in child care facilities within an EZ. The credit is limited to $400,000 in any year.

4. Corporate income tax payment credit. EZ businesses will receive a tax credit equal to 50 percent of their tax payment on their earnings of corporate income within the EZ (the practical effect is to provde a 50 percent corporate tax exemption for income earned within the EZ). Tax credits under this provision can not exceed $8,000 per year per Indian employee. This credit is patterned after the Puerto Rico tax exemption which has long excluded 100 percent of corporate income from taxation.

OTHER EZ PROVISIONS

Small Issue Bonds. Tribes will be permitted to continue to make use of small issue bonds, if the bond revenues are used in an EZ. Under current law, after 1991 there will no longer be authority for the use of small issue bonds.

Trade Zone Designation. Applications for foreign trade zones within an EZ will receive priority in the review process for trade zone designation. Designation as a foreign trade zone will permit storage, exhibition, sale and general dealing (e.g., repackaging, assembling, distributing, sorting) with respect to foreign goods entering and leaving the United States without subjecting it to United States customs duties.

PRIVATE ACTIVITY BONDS

Indian tribes will be permitted to make use of private activity bonds under the same terms and conditions as state and local governments. Prior to 1987 Indian tribes were treated as states for purposes of issuing tax exempt bonds for "essential governmental functions" but were not allowed to issue private activity bonds. Under the Omnibus Reconciliation Act of 1987, tribes were allowed to issue private activity bonds, but only under tightly restricted circumstances that have largely precluded use of these bonds by tribes. The special restrictions applied to Indian tribes would be removed. This provision of the bill would apply to all tribes and reservations and would not be limited to EZ's.

VOLUME CAP

A volume cap will control the total annual revenue cost to the Treasury. Each EZ will be subject to aggregate annual limits—on average $20 million per year per EZ—on the amount of tax credits and other tax incentives that can be obtained. A set of operating rules will determine how much of the overall zone credit will be allocated to each EZ business. The specific details of these operating rules require the performance of a set of technical calculations by the Joint Committee on Taxation. Rather than wait for the calculations to be made, the bill is being introduced with blanks where specific numeral factors will later be substituted. The operating rules will follow the same principles as already developed for H.R. 11 (the Enterprise Zone Incentives Act of 1991), but with suitable modifications made to reflect the differences from this bill.●

By Mr. McCAIN (for himself and Mr. GLENN):

S. 384. A bill to delay the effective date of reductions in the CHAMPUS mental health benefit, and for other purposes; to the Committee on Armed Services.

CHAMPUS MENTAL HEALTH BENEFIT RESTORATION ACT

● Mr. McCAIN. Mr. President, I rise today on behalf of myself and my good friend from Ohio, Senator GLENN—the distinguished chairman of the Manpower Subcommittee of the Senate Armed Services Committee—to introduce the CHAMPUS Mental Health Benefit Restoration Act.

This legislation will delay, for 1 year, the implementation of the changes that were made last year to the critical mental health benefits that are available, through the CHAMPUS Program, to the dependents of our military personnel.

Mr. President, during debate over the 1990 Department of Defense authorization and appropriation bills last year, some proposed that the CHAMPUS mental health benefit be slashed. This occurred at the very time that we were preparing for a possible conflict in the gulf and asking so much sacrifice of our Nation's military personnel and their families. At that time, Senator GLENN and I fought this effort, arguing that this was not an appropriate time to be radically restructuring a benefit—particularly one as critical to the health and well-being of those who were currently under so much stress. One of the principal concerns we had is that no in-depth studies had been conducted, and not one hearing had been held on how and whether the mental health benefit ought to be restructured.

Unfortunately, our efforts were not a total success. While we were able to lessen the severity of the cuts and secure separate treatment for children and adults, we still felt very uncomfortable about Congress pulling any part of the rug out from under those from whom we were asking so much sacrifice.

Well, Mr. President, we are no longer preparing for conflict—we are in conflict. And I dare say that the concern we had last year about pulling the rug out from under those from whom we are asking so much sacrifice is even greater today. It is just plain not right to be implementing such an arbitrary benefit reduction at a time when there is a great potential need for services.

While a restructuring of the mental health benefit may ultimately make sense, now is not the time. We must not be doing it at a time when we are asking so much sacrifice of military families and they are under such increased stress. In addition, I am of the opinion that we need to examine any potential benefit change very closely before ultimately moving forward.

This legislation will give us that time, as it delays the implementation of the benefit change until 1 year after the gulf conflict is over.

Mr. President, I would like to again express my appreciation to my good friend from Ohio for his able assistance in putting this proposal together, and for his willingness to again take on this issue. To do anything less than reexamine the wisdom of allowing those benefit reductions to be implemented at this time would be failing those who are being asked to sacrifice so much.

I also would like to express my appreciation of my colleagues in the House as well—specifically, Congressmen BUSTAMANTE and MACHTLEY, who are introducing the companion to this legislation this afternoon. I look forward to working with them and my colleagues in the Senate as we attempt to move this bill without delay. As such, I invite all of our colleagues to seriously consider supporting, if not cosponsoring, this legislation.

Mr. President, the gulf conflict is not only prevalent on the minds of our Nation's military personnel and their families—it is on the minds and hearts of every American. To one degree or another, it seems that all Americans have been affected by this conflict. People all across our Nation are concerned about the safety and well-being of those serving in the gulf. Many have concerns about the potential threat of terrorism here at home. I have been

heartened to learn of the volunteer efforts across this country to reach out to those in need as a result of this conflict.

I would like to briefly focus on one of these efforts—launched by the American Psychological Association. In conjunction with a number of our Nation's large corporations, they have just produced a booklet to provide people with helpful pointers as to how to handle the stress. In addition, they are in the process of setting up speakers' pools and toll-free numbers through which individuals and communities can receive assistance in coping with this conflict. They are hearing from over 1,000 psychologists a day from across the country who want to volunteer their time to this effort.

The American Psychological Association is in the process of establishing a network of phone banks around the Nation to provide access to the services of volunteers. They have also prepared an information brochure to apprise the public of this effort. I ask unanimous consent that a copy of the brochure be printed in the RECORD.

Mr. President, I would like to commend the effort of groups like the American Psychological Association who are reaching out to others in this time of need by volunteering their services. President Bush has often spoken of the spirit of voluntarism in America. I would suggest that this is one example of that spirit—Americans reaching out to fellow Americans in a time of need.

I ask unanimous consent that the text of the CHAMPUS Mental Health Benefit Restoration Act be printed in the RECORD following my remarks.

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

S. 384

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "CHAMPUS Mental Health Benefit Restoration Act".

SEC. 2. DELAY IN EFFECTIVE DATE OF CHANGES TO CHAMPUS MENTAL HEALTH BENEFIT.

(a) Subsection (d) of Section 703 of the National Defense Authorization Act for Fiscal Year 1991 (Public Law 101-510; 104 Stat. 1583) is amended to read as follows—

"(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect one year after the date of the termination of the Persian Gulf conflict as specified by law or Presidential proclamation and shall apply with respect to mental health services provided under Section 1079 or 1086 of title 10, United States Code, on or after that date."

(b) Implementation of Section 8044 of the Department of Defense Appropriation Act for Fiscal Year 1991 (Public Law 101-511; 104 Stat. 1884) shall not occur until one year after the date of the termination of the Persian Gulf conflict as specified by law or Presidential proclamation and shall apply with respect to mental health services provided under Section 1079 and 1086 of title 10, United States Code, on or after that date.

SEC. 3. TREATMENT OF EXPENDITURES.

For the purposes of expenditures related to this Act, all direct or discretionary expenditures authorized by this Act are emergency expenditures related to Operations Desert Shield and Desert Storm, pursuant to Section 251(b)(2)(D) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.) as amended by Section 13101 of Public Law 101-508.

HOW TO FIND CALM IN A TIME OF CONFLICT—A GUIDE FOR ADULTS, PARENTS, SCHOOLS, COMMUNITIES, AND EMPLOYERS IN THIS TIME OF CRISIS

(Prepared by the Practice Directorate of the American Psychological Association)

(Written by Dennis D. Emory, Ph.D. Ellen McGrath, Ph.D. & Alice Rubinstein, Ed.D.)

"Since the war started, I can't sleep well. Now I have headaches, too * * *."

"My child is afraid to go to school, because of all this talk about bombs and terrorism * * *."

"My feelings are all over the map—afraid, worried, sad, and angry * * *."

"People at work seem to have such short fuses and are having a hard time getting things done * * *."

"I feel like I'm addicted to the news. I keep it on all the time at home and work. I have a hard time doing anything else * * *."

These reactions are normal given the crisis we face today in the Persian Gulf. It is the times that are not normal.

Even for those not directly involved, the worry of war haunts us . . . fear of losing loved ones, worry about terrorism, anxiety about the future, a sense of helplessness, anger toward those who seem responsible, jumpiness, irritation, distrust of those around us, confusion about what to do and whom to trust, sadness, reopening of old wounds and grief.

Studies show that these feelings are common during times of conflict. These feelings alter the way we act with others—those we love, our families, our children, our friends and our coworkers. The conflict seems to cross political boundaries into our personal lives. Today as we watch Desert Storm, there is a need for calm in the eye of the conflict.

There are positive steps we can take to ease the impact of the crisis on our own lives. This pamphlet offers suggestions for coping that have worked for others in the past.

Not every "first-aid" suggestion works for everyone and individuals react differently. If you continue to feel troubled or distressed, remember you are not alone. There are well-established mental-health resources in each of our communities to help. Asking for help can be one of the quickest ways to recover a sense of calm—even if you feel worried about asking for help.

This pamphlet offers ideas for adults, parents, schools, community groups and employers. Ways exist for all of us to increase our sense of calm.

WAYS FOR ADULTS TO COPE WITH—

Worry.—A crisis usually makes people worry. What makes worry so difficult is how it runs our lives.

One way to reduce worry is simply to tell yourself it is O.K. to share your worries with others. And set aside specific times during the day to worry. That way, you can control your worry, instead of it controlling you.

We all want to know what is happening. On some days, or for part of the day, put limits on time spent watching the news, reading about the war, or talking about the crisis. Being a "news junkie" can increase anxiety. So spend time relaxing—take a walk, take a bath, listen to music, or watch a video. By distracting yourself with pleasant activities, you can feel calmer.

Remember, too, families and friends are a powerful resource for support. Schedule time for family activities and informal discussions.

Anger.—Resentment and anger are normal in times of crisis. Feelings like, "Why is this happening to me or to someone I love? It is not fair," or rage at war in general are common. One way to cope with anger is to accept it as a healthy reaction. Channel your anger into energy; build something, exercise, send care packages to the troops, write to elected officials, keep a diary to express your feelings.

Headaches.—The pain from headaches can signal tension and caution us to take care of ourselves. Sometimes, headaches happen after we've had to face something stressful. Try the tips listed above to reduce worry or anger to ease your stress. Other physical signs of stress are common—eating too much, eating too little, stomachaches, rashes, inability to concentrate. And, remember there may be other problems behind these symptoms. If these symptoms persist, contact your physician.

Sleep problems.—Tension can disrupt your sleep. You may find yourself sleeping more or less than usual. Use the bed only for rest and intimacy—not for TV watching, eating or reading. Let your bed become a safe, calm place at the end of the day.

WAYS FOR ADULTS TO MANAGE—

Feeling down.—Coupled with other day-to-day problems, the crisis in the Gulf can leave us feeling helpless and sad. Some of us may even lose our hope for the future. If you find yourself feeling down, try lifting your mood by using a Five A's approach:

Action—A key in keeping your spirits high is to stay active. List some things you have been wanting to do but haven't. Choose to do some things just for yourself. Pick something from the list each day. But don't create additional stress by trying to do too much. Praise yourself when you complete a task. Share your success with others.

Allies—Draw on relationships at home and work to feel more connected during the crisis. Socialize more. Spend more time talking to coworkers. Use the phone more. When you go out with friends, it is O.K. to spend time talking about your feelings.

Ask for help—Ask for help when you feel overwhelmed or stressed. Ask a relative or friend to babysit so you can have time to be with your friends or spouse. Ask a coworker to help with a project. Exercise with a friend.

Assist others—You can get a "helper's high" when you help others. Now, more than ever, it is time to work with schools, the homeless, volunteer agencies or local support groups.

Affirmative thinking—Although it sounds simplistic, positive thinking generates positive outcomes—and keeps us healthier and less depressed. Positive thoughts are statements like, "I cope well. I'm O.K. and I can do it." Ask others to tell you when you are thinking too negatively. Express positive thoughts—even when you don't feel like it. When you focus on the positive, you can change your mood—for the better.

WAYS TO EASE CHILDREN'S—

Fear.—Violence makes children afraid, and they'll ask many questions. "Will they bomb

here? Will you get drafted? Will I have to wear a gas mask? Children need answers. They also want information and reassurance: "Am I safe? Will you take care of me? Mom, Dad—are you O.K.?" Here's how to respond:

Younger children—Encourage preschoolers and children up through age 10 to talk about their fears. Young children need physical contact to feel safe. Let them sit in your lap or cuddle them when you talk. Tell them it is O.K. to feel afraid. Monitor their TV time and talk with them about what they see on TV. Say things like, "Those things on TV are scary. Even soldiers are scared sometimes. You are safe and loved."

Children often see changes in the world around them as threats to their safety. So explain that having more policemen at airports and more security at school are to make sure they are safe.

Older children—Many preteens and teens are sensitive to what is happening around them. They may express fear through games. Acknowledge that some adults and/or their peers may be worried, sad, or upset. Let them know this is normal and not directed at them. When they talk about their fears, don't say "that's silly." Invite the child to think through the logic of his fears. Your support can help your child feel safe and know the danger is distant.

All children—If you tell a child there is no reason to be afraid, two things may happen. First, the child may think you are lying, as talk of the war is everywhere and others are afraid. Second, children may think something is wrong with being frightened.

We often want to "protect" our children, so we may avoid talking about the war. However, they will hear about it on the playground or on the news. If you avoid talking about it, your child may feel you are hiding something and may feel less safe.

Finally, by taking care of yourself—coping successfully with the crisis—your child will probably feel safer.

HOW EMPLOYERS CAN HELP

Employees.—Many Americans spend the majority of their day in the workplace.

A company may be tempted to say that the crisis in the outside world should stay outside the company offices. The truth is that the crisis may already impact daily company operations—through increased anxiety, complications caused by the deployment, and workers generally being distracted by the crisis.

Employers can make the workplace calmer by:

Identifying those employees with loved ones directly involved and who may need special support. Recognizing that other workers may also need attention.

Making personnel policies clear during this time of uncertainty.

Creating an environment in which all employees can feel safe in their opinions about the war.

Assuring employees access to news reports and setting aside time to talk about how the crisis has affected people.

Conducting stress-management seminars for company employees.

Training managers to recognize symptoms of stress and to intervene appropriately.

Setting aside time to talk about how the crisis has affected people in the office.

Families.—Employees' families are silent business partners. The welfare of the family impacts the work of the employee.

Effective company actions for families include:

Planning for support when people return, as reunion is one of the most stressful periods.

Organizing a volunteer babysitting pool or volunteer respite eldercare for families affected by the deployment.

Extending special invitations to company parties for spouses or significant others of employees who may have been called up for active duty.

HOW SCHOOLS CAN HELP

Children.—All children are affected by the current crisis—children who watch TV, children with pen pals in the Middle East, children with a relative in the military, Arab-American children, and children with relatives in Israel or Arab countries. All of these children have common fears—the fear that something might happen to them, the fear of loss, the fear of rejection—as well as anger and grief.

Children often are afraid or unable to talk about these feelings. Children whose relatives are deployed, for example, may feel uneasy just talking about the war. Yet they may show these feelings by being aggressive toward others, doing poorly in school or becoming withdrawn, complaining about stomachaches, having more accidents, or simply seeming physically present but mentally absent.

Teachers, counselors and volunteers can help by:

Creating ongoing classroom meetings or discussion groups as safe places for children to express feelings.

Teaching about the common bonds that children from the Middle East and Western countries share, which will help reduce fear of differences.

Encouraging cooperative, friendly behavior.

Easing children's fears of danger by telling them it's O.K. to feel afraid and helping them separate fact from fantasy.

Enabling children to feel like they make a difference—writing letters to service personnel or world leaders, collecting for the American Red Cross, hanging yellow ribbons around the school.

Asking children to create a plan to bring peace to the Middle East now and for the future—using the knowledge they acquire in their studies.

Asking children to do thoughtful things to help classmates who might be more directly affected by the crisis.

Providing support for school staff who are themselves directly affected by Desert Storm—for example, support groups, cards or care packages.●

By Mr. AKAKA:

S. 385. A bill to amend section 21A of the Federal Home Loan Bank Act to establish additional procedures and requirements relating to the identification and disposition of environmentally sensitive land and other property with natural, cultural, recreational, or scientific values of special significance by the Resolution Trust Corporation; to the Committee on Banking, Housing, and Urban Affairs.

RESOLUTION TRUST CORPORATION ASSET DISPOSITION ACT

Mr. AKAKA. Mr. President, today I am introducing the Resolution Trust Corporation Asset Disposition Act, a bill to improve the identification and disposition of lands held by the Resolution Trust Corporation that have natural, cultural, recreational, or scientific values of special significance. A companion bill will be introduced in the House of Representatives by Representative PETER KOSTMAYER.

Most people who I speak to are appalled at the cost of the savings and loan cleanup. The Congressional Budget Office has estimated the total cost associated with closing failed thrifts though the year 2000 to be nearly $250 billion.

I believe that the Federal Government must keep its promise to depositors to protect their savings. But, this must be done in a manner that brings the most return for taxpayers.

We must also be flexible enough not to miss the opportunities that the S&L disaster has created. A great deal of land is being recycled through the RTC. In its real estate inventory, released to the public last week, the RTC listed 41,533 parcels of property. There is every reason that some of this land should be used to achieve well established public purposes. The taxpayers are already paying—why not give them something for their money?

Mr. President, the Resolution Trust Corporation Asset Disposition Act would accomplish three things.

First, it would require the Department of the Interior to identify properties in RTC's inventory with natural, cultural, recreational, or scientific values of special significance.

Second, the act would require the RTC to maintain any property so identified in a manner consistent with the preservation of that property's value of special significance.

Third, it would give governmental agencies and nonprofit groups an opportunity to purchase these lands in order to preserve, enhance, study, or utilize them in a manner consistent with their special values.

Under current law, the RTC must identify properties in its holdings with natural, cultural, recreational, or scientific significance. This is a wise policy. In fact RTC's recent inventory identifies 270 parcels as having natural significance, 31 parcels as having cultural values, 4 parcels being of scientific significance and 985 parcels as having recreational values.

These inventories could serve as a powerful marketing tool. For example, many people share the desire to live or operate their businesses in historic places, both for asthetic value and tax benefits. By identifying historic qualities in RTC's buildings, these properties should move onto the market place faster and perhaps at a better price for the taxpayer.

Mr. President, the market for conservation properties is not a speculative market. An annual multibillion-dollar conservation market exists, as government park agencies and conservation groups buy lands. And the experience of the RTC already reflects

the existence of this market. The Executive Director of the RTC testified before a House hearing last fall that "the RTC has received considerable interest from public and private conservation groups, environmental firms, and organizations regarding properties with special environmental resources."

The legislation that I have introduced today would transfer to the Department of the Interior the responsibility for identifying properties with values of significance held by the RTC. The authority should be transferred because the Department of the Interior has the expertise to do the job right with the greatest experience and at the least expense.

The Department of the Interior is this country's principal conservation agency. It has responsibility for most of our nationally owned public lands and natural resources. This includes fostering the best use of our land and water resources, protecting our fish and wildlife, preserving the environmental and cultural values of our national parks and historical places, and providing for the enjoyment of life through outdoor recreation.

The value of the Department of the Interior's expertise in identifying lands in RTC's inventory with special significance was recognized in a proposed memorandum of understanding prepared by the RTC and the Fish and Wildlife Service. Under the proposed MOU, the Fish and Wildlife Service would have assisted the RTC in inventorying its lands by identifying the extent of the resource's value to the properties.

Regrettably, this MOU was not put into force and the RTC has decided to go it alone. In a letter dated January 17, 1991 to David C. Cooke, Executive Director of the RTC, Peter H. Monroe, President of the RTC's Oversight Board, wrote: "[a]s a matter of policy, the Oversight Board believes that RTC should approach its statutory duties through a combination of (i) strengthened internal capacity and (ii) the procurement, where appropriate in specific cases, of the best available resources and expertise from the public and private sectors."

RTC's decision to duplicate the services and expertise of the Department of the Interior will be unnecessarily costly and, more likely than not, will be ineffective. And all of us who are concerned about the cost of the S&L bailout and about eliminating governmental waste should not allow this decision to stand.

The inventory, maintenance and conveyance provisions of my legislation would also further the public objective of preserving certain types of land.

In fact, the Resolution Trust Corporation Asset Disposition Act being introduced today is evolutionary in nature. It builds upon previous environmental protection laws and clarifies the application of those laws to the RTC. Among those laws are the Recreation Act of 1963, which calls on all levels of government to take action to conserve, develop, and utilize outdoor recreation resources for the benefit and enjoyment of the American people, and the Surplus Federal Real Property Program, contained in section 303(c) of the National Parks and Recreation Act of 1978, which states that:

> It is the established policy of Congress that wilderness, wildlife conservation, and park and recreation values of real property owned by the United States be conserved, enhanced, and developed * * * [and] that utilized, underutilized, or excess Federal real property be timely studied as to suitably for * * * [these] purposes.

This bill also builds upon the Endangered Species Act of 1973, which requires all instrumentalities of the Federal Government to insure that actions they authorize or carry out do not "jeopardize the continued existence of any endangered species."

It builds upon Executive Order 11990, entitled "Protection of Wetlands," which directs Federal agencies to place restrictions on federally owned real estate with wetlands to protect those wetlands, before the sale of the real estate to private ownership.

This legislation also builds upon the Coastal Barrier Improvement Act of 1990 that specifically restricts the RTC's ability to transfer certain property located within the Coastal Barrier Resources System.

Mr. President, this legislation will enable this country to transform a problem into an opportunity.

There may be some who argue that this legislation will increase the cost of the S&L bailout. But, this bill may actually save the taxpayers money. It will save money by stopping the RTC from duplicating the expertise of the Department of the Interior.

It will save money because land may end up in Government preserves now that we would end up buying later at a higher cost. Just this week, Secretary of the Interior Manuel Lujan announced "a major effort to expand and enhance outdoor recreational areas" as one of the Department's top priorities. Land in the RTC inventory, land already in the Government's hands, may help the Department of the Interior achieve this important goal. And if so, it could be acquired at less cost to the taxpayer than if the Department of the Interior went in the open market to buy it.

There may be some who will argue that this legislation will divert the RTC from its primary purpose of maximizing the return on its assets. But, the contrary is true. This legislation will help maximize the return to taxpayers. Under the RTC's affordable housing program, the average price for single-family properties sold at 89 percent of appraised value as of November 30, 1990. There is no reason to think that this success cannot be achieved for lands with other values of special significance. In fact, the identification of values of special significance in properties held by the RTC may actually increase the value of many properties.

It is also wrong to determine taxpayer return solely by looking at the RTC's balance sheet. It is established Federal policy to preserve certain types of lands for environmental purposes—a responsibility in which all Federal entities should participate. RTC's return for taxpayers should also be evaluated in terms of its achievement of this important goal.

Mr. President, I ask unanimous consent that the text of the legislation be printed in the RECORD.

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

S. 385

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Resolution Trust Corporation Asset Disposition Act".

SEC. 2. ADDITIONAL REQUIREMENTS RELATING TO MANAGEMENT AND DISPOSITION OF PROPERTY WITH SPECIAL SIGNIFICANCE.

(a) CONGRESSIONAL FINDINGS.—The Congress finds that:

(1) The Resolution Trust Corporation is required to maintain and periodically publish an inventory of real property within the jurisdiction of the Corporation, including the identification of properties with natural, cultural, recreational or scientific value of special significance.

(2) The Resolution Trust Corporation has failed to provide adequate resources and qualified personnel to fully comply with the requirement to identify properties with values of special significance.

(3) Greater efforts need to be devoted to the management and disposition of property described in paragraph (1) to prevent the development of environmentally sensitive land, wetlands, prime farmland, historic places, and other lands the preservation of which is consistent with national policy.

(4) It is the established policy of the Congress that the wilderness, wildlife conservation, and park and recreational values of real property owned by the United States be conserved, enhanced, and developed.

(b) REQUIREMENTS ESTABLISHED.—Section 21A(b)(12) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(12)) is amended

(1) in subparagraph (F) by striking "and shall identify properties" through the period and inserting "In each such inventory, the Corporation shall designate the indentifications of all properties, including a summary of the reasons for such identification, made by the Secretary of the Interior in accordance with subparagraph (H) as having natural, cultural, recreational, or scientific values of special significance."; and

(2) by adding at the end the following new subparagraphs:

"(H) IDENTIFICATION OF PROPERTIES OF SPECIAL VALUE.—The Secretary of the Interior shall review the inventory prepared and revised by the Corporation in accordance with subparagraph (F), and shall—

"(i) identify properties included in the inventory that have natural, cultural, recreational, or scientific values of special significance;

"(ii) notify the Corporation of the identification and the reasons for identifying such properties as having values of special significance; and

"(iii) publish in the Federal Register notice of such identification and the reasons for such identification.

In carrying out this subparagraph, the Secretary of the Interior shall employ the services of the United States Fish and Wildlife Service, the National Park Service, the Advisory Council on Historic Preservation, and any other agencies or instrumentalities of the United States Department of the Interior that the Secretary may require.

"(I) INVENTORY PUBLICATION; NOTIFICATION REQUIREMENTS.—

"(i) UPDATING OF RECORDS.—When the Secretary of the Interior notifies the Corporation of an identification under subparagraph (H), the Corporation shall update its inventory records to reflect the identification by the Secretary not later than 30 days after such identification is made.

"(ii) Inventory publication.—When the Corporation publishes a revised list of its inventory of real property assets as required by subparagraph (F), the Corporation' shall designate in such publication all properties identified by the Secretary of the Interior as having values of special significance.

"(iii) RESTRICTION ON SALE OR TRANSFER.—The Corporation shall not dispose of any property identified by the Secretary as having values of special significance in accordance with subparagraph (H) (other than in the manner provided in subparagraph (J) or (K)) before the end of the 90-day period beginning on the date on which the Secretary publishes the identification of such property in accordance with subparagraph (H).

"(J) EXPRESSION OF SERIOUS INTEREST.—If the Corporation receives notice from any qualified land steward, as defined in subparagraph (N), of serious interest in the purchase or other transfer of any propety in its inventory identified as having values of special significance in accordance with subparagraph (H), such property shall not be sold or transferred by the corporation to any person, other than a qualified land steward for the purpose of the longterm preservation, enhancement, utilization or maintenance of such property consistent with the values of special significance identified by the Secretary of the Interior, pursuant to subparagraph (H), before the end of the 180-day period beginning on the date on which the Corporation receives such notice.

"(K) MINIMUM SALE PRICE LIMITATIONS NOT APPLICABLE.—Notwithstanding any other provision of law, the Corporation may—

"(i) sell or otherwise transfer any property in the inventory identified as having values of special significance pursuant to subparagraph (H) to any qualified land steward for the purpose of the longterm preservation, enhancement, utilization or maintenance of such property consistent with the values of special significance identified by the Secretary of the Interior pursuant to subparagraph (H), without regard to any limitation relating to any minimum sale price or any appraisal value of such property; or

"(ii) transfer any such property or any interest therein to any Federal or State agency which is a qualified land steward at no charge to such agency.

"(L) PREFERENCE FOR BEST STEWARDS.—In considering offers from qualified land stewards for the purchase or transfer of property identified as having values of special significance in accordance with subparagraph (H), the Corporation shall give preference, among substantially similar offers, to the offer of any qualified land steward which the Corporation determines would best manage, conserve, and preserve, as a steward of such property, the value which is of special significance for the benefit of the public and future generations.

"(M) STEWARDSHIP PROGRAMS.—The Corporation shall maintain any property identified as having values of special significance in accordance with subparagraph (H) in a manner consistent with the preservation of the property's value of special significance. The Corporation may employ, on a reimbursable basis, the services of any qualified land steward which is a qualified land steward to provide technical assistance and to maintain and manage such property as a steward during such period as the Corporation may designate.

"(N) QUALIFIED LAND STEWARD DEFINED.—For purposes of this section, the term 'qualified land steward' means any Federal, regional, State, or local agency or department or private nonprofit organization, the primary purpose or expertise of which includes the management, conservation, and preservation of property with values of special significance as a steward of such land for the benefit of the public and future generations, including public land management, park and recreation, and historic preservation agencies, coastal administrators, and land trust and environmental organizations.

"(O) DEFINITION OF PROPERTY HAVING VALUES OF SPECIAL SIGNIFICANCE.—For purposes of this section, the term 'properties with natural, cultural, recreational, or scientific values of special significance means—

"(i) property having resources which are protected or are eligible for protection under any Federal environmental protection or Executive orders, such as wetlands, foodplains, endangered species habitats, historic sites, archaeological sites, natural landmarks, wilderness areas, wild and scenic rivers, and coastal barriers; or

"(ii) property that is identified by any local, county, regional or state planning authority as appropriate for, or used as parks, sporting activities, camping, fishing, hunting, or other leisure activities.".

(c) TECHNICAL AND CONFORMING AMENDMENT.—Section 21A(b)(12)(D)(iii) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(12)(D)(iii)) is amended by inserting "subparagraphs (I) and (J) of this paragraph or" after "requirements of".

(d) SCOPE OF APPLICABILITY.—The amendments made by subsection (b) shall apply with respect to any property held or managed by the Resolution Trust Corporation at any time on or after August 9, 1989, other than property the sale or disposition of which by the Corporation became final before the date of the enactment of this Act.

By Mr. DECONCINI (for himself, Mr. CRANSTON, Mr. ROCKEFELLER, Mr. GRAHAM, Mr. AKAKA, Mr. THURMOND, and Ms. MIKULSKI):

S. 386. A bill to amend title 38, United States Code, to define the period of the Persian Gulf, to extend eligibility for pension, medical, educational, housing, financial, and other benefits provided under the title to veterans of the war, and for other purposes; to the Committee on Veterans' Administration.

PERSIAN GULF WAR VETERANS' ASSISTANCE ACT

• Mr. DECONCINI. Mr. President, as Members of the Senate are aware, Senator CRANSTON is unable to be here today because he is recovering from treatment for cancer. Thus, I am submitting for him the following statement on S. 386.

Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I regret that I was unable personally to introduce S. 386, the proposed Persian Gulf War Veterans' Assistance Act of 1991. I am honored, however, that my good friend and colleague on the committee, Mr. DECONCINI, has agreed to introduce this important measure for me. I am pleased to note that we are joined by the following cosponsors, committee members Senators ROCKEFELLER, GRAHAM, AKAKA, and THURMOND, and Senators MIKULSKI, and JEFFORDS.

Mr. President, this bill would amend title 38, United States Code, in order to reflect the occurrence of the Persian Gulf war and to help ensure that certain Department of Veterans Affairs programs respond adequately and appropriately to the needs of veterans of this period of war.

Specifically, this bill contains 10 substantive provisions that would:

First, add the Persian Gulf war as a period of war, beginning August 2, 1990, the date that Iraq invaded the country of Kuwait. The period would end on a date to be determined by Presidential proclamation or by law.

Second, open to veterans and spouses of veterans with service during the Persian Gulf war the VA pension program—a needs-based benefit for wartime veterans who have non-service-connected disabilities rated totally disabling and the needy survivors of wartime veterans.

Third, make applicable to Persian Gulf war veterans a presumption of service-connection, for the purpose of receiving VA medical care, for those who develop an active psychosis within 2 years after discharge or release from active military service that included service during a period of war.

Fourth, provide Persian Gulf war veterans with the same eligibility for medicines from VA that other wartime veterans have when they are receiving additional VA non-service-connected disability compensation, or increased VA non-service-connected disability pension, by reason of being permanently housebound or in need of regular aid and attendance.

Fifth, provide eligibility for readjustment counseling through VA Vet Centers to post-Vietnam-era veterans who served on active duty in an area at a time during which hostilities occurred in that area. This would include not only service in the Persian Gulf war theater of operations but in other areas

in which armed conflicts take place in which members of the Armed Forces are subjected to danger comparable to the danger to which members of the Armed Forces have been subjected in combat with enemy armed forces during a period of war, such as in Grenada or Panama.

Sixth, provide that, notwithstanding the requirement that claims for reimbursement for burial payments from the VA be filed within 2 years after the burial of the veteran, a claim for reimbursement for burial payments in the case of a veteran of the Persian Gulf war who died before the date of the enactment of this act may be filed within 2 years after the date of the enactment.

Seventh, provide for the Veterans' Advisory Committee on Education formed by the Secretary of Veterans Affairs to include a representative of Persian Gulf war veterans.

Eighth, provide eligibility for VA housing loan benefits to veterans who served on active duty at any time during the Persian Gulf war and whose total service was for 90 days or more provided that those veterans meet the minimum active-duty service requirements in section 3103A of title 38.

Ninth, authorize the Secretary of Veterans Affairs to employ retired Federal health-care specialists without their retirement annuities being reduced. The Secretary's authority for waiving reductions in annuities would be for the duration of the Persian Gulf war and for a period of not more than 2 years after the date of the termination of that war. I am concerned that should VA facilities be needed to treat casualties from the Persian Gulf war, there be sufficient personnel available to provide the quality of medical care those men and women deserve. For the purposes of this provision, the term "health-care specialist" would mean a physician, dentist, podiatrist, optometrist, nurse, physician assistant, expanded-function dental auxiliary, medical technician, or other medical support personnel.

Tenth, authorize appropriations of $1 million for the establishment of an information and referral system in the form of a VA-staffed toll-free number to provide information to veterans and family members of active-duty service personnel regarding facilities offering mental health treatment and counseling for posttraumatic stress disorder and other war-related stress problems.

CONCLUSION

Mr. President, the war in which this country is now engaged in the Persian Gulf concerns us all. It is important to our dedicated men and women in uniform, many of whom were civilains but only recently before being activated as reservists, that we show our support and that we provide them benefits equal to those provided service personnel in other periods of war and appropriate to the circumstances of this war. To speed this bill along to enactment as rapidly as possible, our committee plans to make this a part of our markup on February 7, 1991. I urge all of my colleagues to support this legislation.

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. 386

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Persian Gulf War Veterans' Assistance Act of 1991".

SEC. 2. PERSIAN GULF WAR ADDED TO DEFINITION OF "PERIOD OF WAR".

(a) PERIOD OF WAR.—Section 101(11) of title 38, United States Code, is amended by inserting "the Persian Gulf War," after "the Vietnam era,".

(b) PERIOD OF WAR DEFINED.—Section 101 of such title is amended by adding at the end the following new paragraph:

"(33) The term 'Persian Gulf War' means the period beginning on August 2, 1990, and ending on the date thereafter prescribed by Presidential proclamation or by law.".

SEC. 3. ELIGIBILITY FOR PENSION OF VETERANS AND SPOUSES OF VETERANS WITH SERVICE DURING THE PERSIAN GULF WAR.

(a) PENSION FOR VETERANS.—Section 501(4) of title 38, United States Code, is amended by inserting "the Persian Gulf War," after "the Vietnam era,".

(b) PENSION FOR SURVIVING SPOUSES.—Section 541(f)(1) of such title is amended—

(1) by striking out "or" at the end of clause (C); and

(2) by inserting before the semicolon at the end ", or (E) before the expiration of ten years following the termination of the Persian Gulf War, in the case of a surviving spouse of a veteran of the Persian Gulf War".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—(1) The heading above section 541 of such title is amended to read as follows:

"OTHER PERIODS OF WAR".

(2) The table of sections at the beginning of chapter 15 of such title is amended by striking out the heading between the items relating to section 537 and 541 and inserting in lieu thereof the following:

"OTHER PERIODS OF WAR".

SEC. 4. ELIGIBILITY FOR CERTAIN MEDICAL CARE FOR SERVICE DURING THE PERSIAN GULF WAR.

(a) PRESUMPTION RELATING TO PSYCHOSIS.—Section 602 of title 38, United States Code, is amended—

(1) by striking out "or the Vietnam era" and inserting in lieu thereof "the Vietnam era, or the Persian Gulf War";

(2) by striking out "or before May 8" and inserting in lieu thereof "before May 8"; and

(3) by inserting "or before the expiration of two years following the date of the termination of the Persian Gulf War, in the case of a veteran of the Persian Gulf War," after "a Vietnam era veteran,".

(b) ELIGIBILITY FOR MEDICINES.—Section 612(h) of such title is amended in the first sentence by striking out "or the Vietnam era," and inserting in lieu thereof "the Vietnam era, or the Persian Gulf War,".

(c) ELIGIBILITY FOR READJUSTMENT COUNSELING.—Section 612A(a) of such title is amended—

(1) by inserting "(1)" after "(a)"; and

(2) by adding at the end the following new paragraph:

"(2)(A) The Secretary shall furnish counseling as described in paragraph (1), upon request, to any veteran who served on active duty after May 7, 1975, in an area at a time during which hostilities occurred in such area.

"(B) For the purposes of subparagraph (A) of this paragraph, the term 'hostilities' means an armed conflict in which members of the Armed Forces are subjected to danger comparable to the danger to which members of the Armed Forces have been subjected in combat with enemy armed forces during a period of war, as determined by the Secretary in consultation with the Secretary of Defense.".

SEC. 5. BURIAL AND FUNERAL EXPENSES.

Section 904 of title 38, United States Code, is amended—

(1) by inserting "(a)" before "Applications for"; and

(2) by adding at the end the following new subsection:

"(b) Notwithstanding subsection (a) of this section, an application for payment under section 902 of this title in the case of a veteran of the Persian Gulf War who died before the date of the enactment of the Persian Gulf War Veterans' Assistance Act of 1991 may be filed not more than two years after the date of such enactment.".

SEC. 6. MEMBERSHIP ON EDUCATIONAL BENEFITS ADVISORY COMMITTEE FOR PERSIAN GULF WAR VETERAN.

Section 1792(a) of title 38, United States Code, is amended by striking out "and the post-Vietnam era" and inserting in lieu thereof "the post-Vietnam era, and the Persian Gulf War".

SEC. 7. ELIGIBILITY FOR HOUSING BENEFITS.

Section 1802(a)(2) of title 38, United States Code, is amended by adding at the end the following new subparagraph:

"(D) Each veteran who served on active duty at any time during the Persian Gulf War other than a veteran ineligible for benefits under this title by reason of section 3103A(b) of this title.".

SEC. 8. WAIVER OF ANNUITY REDUCTION UNDER TITLE 5, UNITED STATES CODE, IN THE CASE OF THE REEMPLOYMENT OF CERTAIN ANNUITANTS IN CONNECTION WITH THE PERSIAN GULF WAR.

(a) AUTHORITY TO WAIVE ANNUITY REDUCTIONS.—In any case in which a person entitled to an annuity under chapter 83 or 84 of title 5, United States Code, is reemployed on or after the date of the enactment of this Act in the Veterans Health Services and Research Administration by the Department of Veterans Affairs as a health care specialist, the Secretary of Veterans Affairs may waive (in accordance with this section) any requirement of section 8344 or 8468 of such title for—

(1) deductions from the pay of such person during the period of such reemployment; or

(2) any reduction that would otherwise be made in the annuity of such person.

(b) LIMITATIONS ON WAIVERS.—(1) Waivers under subsection (a) may be made by the Secretary of Veterans Affairs only to the extent that the Secretary determines that the granting of waivers is necessary in order (A) to recruit health-care specialists to replace health-care specialists of the Department of Veterans Affairs who have been ordered to active duty during the Persian Gulf War, and (B) to enable the Department to respond (pursuant to section 5011A of title 38, United

States Code) to the health-care needs of members of the Armed Forces during the Persian Gulf War and of veterans of that war who seek such care at facilities of the Department.

(2) A waiver granted under this section may extend for any period during the Persian Gulf War and for a period of not more than two years after the date of the termination of that war.

(3) A waiver granted under this section shall become effective upon receipt by the Director of the Office of Personnel Management of a written notice of the waiver from the Secretary of Veterans Affairs.

(c) DEFINITIONS.—As used in this section:

(1) The term "health-care specialist" means a physician, dentist, podiatrists, optometrist, nurse, physician assistant, expanded-function dental auxiliary, medical technician, or other medical support personnel.

(2) The term "Persian Gulf War" means the period beginning on August 2, 1990, and ending on the date thereafter prescribed by Presidential proclamation or by law.

(3) The terms "veterans", "Armed Forces", "active duty", and "reserve component" have the meaning given such terms under paragraph (2), (10), (21), and (27), respectively, of section 101 of title 38, United States Code.

SEC. 9. TECHNICAL AMENDMENT.

Section 5011A(b)(2)(A) of title 38, United States Code, is amended by striking out "subsection (f) of (g) of section 612" and inserting in lieu thereof "section 612(a)".

SEC. 10. INFORMATION AND REFERRALS FOR COUNSELING RELATING TO PSYCHOLOGICAL CONSEQUENCES OF THE PERSIAN GULF WAR.

(a) INFORMATION AND REFERRAL SYSTEM.—Not later than 45 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall establish an information and referral system by means of a toll-free telephone number (commonly referred to as an 800 number) to provide the information and referral assistance described in subsection (b).

(b) TYPES OF INFORMATION AND REFERRALS.—(1) The information to be provided by means of the toll-free telephone number referred to in subsection (a) is information regarding facilities of the Department of Veterans Affairs that provide—

(A) readjustment counseling assistance and other mental-health services to veterans of the Persian Gulf War who are suffering post-traumatic stress disorder or other psychological problems relating to that service;

(B) readjustment counseling and other mental-health services to spouses, parents, and children of veterans of the Persian Gulf War when such services are needed in connection with the treatment of a veterans referred to in clause (A); and

(C) counseling and other mental-health services to a veteran of any war (as defined in section 101(12) of title 38, United States Code) who is experiencing adverse psychological effects as a result of media coverage of the Persian Gulf War.

(2) The Secretary shall also provide to callers of the toll-free telephone number referred to in subsection (a) who are not eligible for assistance from the Department of Veterans Affairs information regarding facilities other than those of the Department that provide the type of services described in paragraph (1) to persons who experience adverse psychological effects as a result of the Persian Gulf War and media coverage thereof.

(c) DEFINITION.—For the purposes of this section, the term "Persian Gulf War" means the period beginning on August 2, 1990, and ending on the date thereafter prescribed by Presidential proclamation or by law.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $1,000,000 for the purposes of carrying out this section.

SEC. 11. TREATMENT OF EXPENDITURES.

For the purposes of section 251(b)(2)(D) and 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.), as amended by section 13101 of Public Law 101-508, all direct or discretionary spending contained in this Act are emergency expenditures related to Operation Desert Shield.●

By Mr. MACK (for himself, Mr. GRAHAM, and Mr. MCCAIN):

S. 387. A bill to amend title XVIII of the Social Security Act to provide an additional payment under part A of the Medicare Program for the operating costs of inpatient hospital services of hospitals with a high proportion of patients who are Medicare beneficiaries; to the Committee on Finance.

HIGH MEDICARE HOSPITAL RELIEF ACT OF 1991

● Mr. MACK. Mr. President, I want to again bring to your attention a hospital payment issue of critical importance to Medicare's beneficiaries. Today, I reintroduce the High Medicare Hospital Relief Act of 1991 with my colleagues, Senators JOHN MCCAIN and BOB GRAHAM. High Medicare hospitals are hospitals for which not less than 65 percent of their inpatient days or discharges are attributable to patients who are entitled to benefits under Medicare part A. This legislation would assist the approximately 400 hospitals nationwide, in both urban and rural areas, which continue to struggle financially on a day-to-day basis, while providing quality health care to an ever-growing Medicare patient population.

High Medicare hospitals are continuing to experience severely reduced, and in many cases, negative Medicare operating margins. These hospitals have little or no choice but to either cut back on medical personnel or consider the rationing of services. Additionally, when these hospitals attempt to cost-shift, they become less competitive and risk losing the few non-Medicare payers that they have.

The hospitals which would benefit from this legislation are vital to our Nation's health care system, to our seniors, and to my home State of Florida, which has more of these institutions than any other State. Last year, when I originally introduced this bill, I received several letters from high Medicare hospitals in my State. I share the contents of one of these letters with you. Boca Raton Community Hospital which has an average Medicare caseload of 73 percent, wrote the following:

> Please be assured that we are trying very hard to contain costs, but the significantly high Medicare patient volume makes our lives extremely challenging. We want first-class service for our patients and Medicare shortfalls are making that increasingly difficult.

Mr. President, I am aware that the Prospective Payment Assessment Commission [ProPAC] continues to study the issue of high Medicare hospitals, specifically, why hospitals with high Medicare shares have greater negative PPS operating margins than other hospitals. I believe, however, that we must act now. Closure of many of these Medicare dependent hospitals is a real possibility unless immediate temporary assistance is given.

The High Medicare Hospital Relief Act of 1991 attempts to address a critical disparity between the operating margins of high Medicare and nonhigh Medicare hospitals. This bill works in a simple, yet logical and equitable way. It provides a formula for an additional payment for each Medicare discharge from a high Medicare hospital in both high rural and urban areas. Its intent is to place these Medicare dependent hospitals on a equal footing with other PPS hospitals.

States which have a high concentration of Medicare patients, such as Florida, are being undermined by the very system which was designed to provide assistance to hospitals serving the elderly. This issue is not a question of large states versus small States. it is not a question of urban areas versus rural areas. It is, quite simply, a question of fairness and equity for all hospitals providing health care for America's seniors.

Mr. President, I urge my colleagues to join me in supporting the High Medicare Relief Act of 1991.●

● Mr. GRAHAM. Mr. President, today, I am reintroducing the High Medicare Hospital Relief Act of 1991 in my continuing effort to provide assistance to about 400 hospitals nationwide which concentrate in the care of elderly and disabled patients. These high Medicare hospitals—about three dozen of which service Florida communities—are facing constantly increasing financial pressures under Medicare's hospital prospective payment system [PPS].

The original designers of PPS, and many of its advocates, believed the prospective payment methodology, based on a system of averages, would function best in Medicare dependent facilities. Unfortunately, Medicare's own data has documented the fact that high Medicare hospitals, those hospitals with 65 percent or more of their inpatient days devoted to the care of Medicare patients, have average Medicare operating margins considerably below that of other facilities.

Last year, the Prospective Payment Assessment Commission [ProPAC] reported that the average Medicare PPS margins for urban, high Medicare hospitals in the 5th year under PPS was a negative 2.6 percent. The average PPS margin for all urban hospitals during the same period was a positive 3.1 per-

cent, or a full 5.7 percentage point difference.

These financial comparisons follow a consistent pattern, and current projections look even more grim. This is particularly disturbing because high Medicare hospitals, by definition, have a relatively limited ability to make up PPS reimbursement shortfalls by tapping third party payers. Simply put, Medicare is their principal source of financing for patient care because Medicare beneficiaries make up the bulk of their inpatients.

In 1989, Congress did enact legislation to provide temporary financial relief to certain small, rural Medicare dependent hospitals. Unfortunately, this measure did not include urban or larger, rural high Medicare hospitals. The bill I am introducing today would apply to all high Medicare hospitals. Its goal is a simple and relatively modest one. My bill would provide a payment adjustment for high Medicare hospitals to place them on a equal footing with other hospitals reimbursed under PPS.

Mr. President, I recognize that we do not have a complete understanding of why high Medicare hospitals fare so poorly. ProPAC has acknowledged that operating margins for Medicare dependent hospitals are lower than average operating margins for hospitals. ProPAC, however, has recommended further study of the issue before supporting a payment adjustment for high Medicare hospitals. It is my hope that ongoing work by ProPAC will explain the factors producing winners and losers under PPS, and, particularly, the plight of high Medicare hospitals.

In my view, we cannot wait any longer. High Medicare hospitals need our help now. My bill is designed to provide a time-limited payment to these facilities pending further ProPAC study regarding the hospital's problems and more permanent solutions.

I encourage my colleagues to join me in this important cause. High Medicare hospitals are located in nearly every State. We cannot stand by while their ability to provide high quality care to Medicare beneficiaries is compromised any further.•

By Mr. PACKWOOD (for himself, Mr. AKAKA, Mr. BRADLEY, Mr. BURDICK, Mr. CONRAD, Mr. DODD, Mr. GLENN, Mr. KENNEDY, Mr. LEVIN, Mr. METZENBAUM, Mr. MITCHELL, Mr. PRYOR, Mr. DECONCINI, Mr. GORE, Mr. KERRY, Mr. HOLLINGS, Mr. LIEBERMAN, Mr. ROBB, Mr. PELL, Mr. FOWLER, Mr. NUNN, Mr. DASCHLE, Mr. CRANSTON, Mr. DIXON, Mr. SARBANES, Mr. BAUCUS, Mr. BURNS, Mr. COHEN, Mr. D'AMATO, Mr. DOLE, Mr. DURENBERGER, Mr. GORTON, Mr. HATCH, Mrs. KASSEBAUM, Mr. SYMMS, Mr. THURMOND, Mr. COCHRAN, Mr. CHAFEE, Mr. HELMS, Mr. MURKOWSKI, Mr. JEFFORDS, Mr. CRAIG, Mr. GRASSLEY, Mr. BOND, Mr. STEVENS, Mr. WARNER, Mr. SEYMOUR, Mr. PRESSLER, Mr. SASSER, Mr. WALLOP, Mr. LAUTENBERG, Mr. MACK, and Mr. INOUYE):

S.J. Res. 66. Joint resolution to designate February 7, 1991, as "National Girls and Women in Sports Day"; to the Committee on the Judiciary.

NATIONAL GIRLS AND WOMEN IN SPORTS DAY

• Mr. PACKWOOD. Mr. President, today, I introduced a joint resolution to designate February 7, 1991 as "National Girls and Women in Sports Day." I have successfully introduced this joint resolution for the past 4 years and hope to continue the tradition.

Each year a woman athlete is presented with the "Flo Hyman Award"—named after the Olympic volleyball star who died suddenly of Marfan's disease in 1986. In 1990, the award representing the commitment and passion that Hyman demonstrated was presented to Chris Evert—winner of 18 grand slam titles and 1,309 matches in her career, more than any other player, male or female. It is my hope that this resolution will inspire future generations of women athletes to strive toward the excellence which Flo Hyman, Chris Evert, and other female athletes exemplify.

Despite recent advances made by women in sports, the number of women coaches and sports administrators has decreased greatly over the past 18 years. It is important to recognize that inequities exist, while highlighting how far women have come in their athletic achievements. Mr. President, I offer this resolution designating February 7, 1991 as "National Girls and Women in Sports Day" to honor women's contributions in sports and to encourage all women to participate in athletics.•

By Mr. THURMOND:

S.J. Res. 67. Joint resolution to recognize and commemorate the centennial of the Immigration and Naturalization Service; to the Committee on the Judiciary.

CENTENNIAL OF THE IMMIGRATION AND NATURALIZATION SERVICE

• Mr. THURMOND. Mr. President, I am pleased to introduce today a resolution commemorating the Immigration and Naturalization Service on its centennial anniversary. The first immigration office in the Federal Government was created in 1864 by a law intended to encourage immigration. Under this law, the President appointed a Commissioner of Immigration within the State Department to regulate the transportation and settlement of emigrants but the law had no effect on the commissions, boards, or other officers who were responsible for immigration in each of the States. The Commissioner's office was abolished when the law was repealed 4 years later. Other Federal laws were passed in the 1880's to prevent the admission of undesirable aliens and to control contract labor, but authority over immigration, including enforcement of the Federal statutes, remained at the State level. At the same time, the number of immigrants coming to America was rising rapidly.

In 1888, Congress established a select committee to investigate problems caused by the divided authority over immigration matters. It recommended consolidating this authority within a single Federal agency and drafted legislation that Congress enacted as the Immigration Act of 1891. President Benjamin Harrison signed it into law on March 3, 1891. It established complete and definite Federal control over immigration by providing for an office of Superintendent of Immigration under the Secretary of the Treasury.

As a result of this new law, all the duties previously deferred to the States were transferred by the end of fiscal year 1891 to U.S. inspection officers and the first Federal immigration organization was established on July 12, 1891, when the Bureau of Immigration began operations in the Treasury Department. Besides its headquarters in Washington, DC, the Bureau opened 24 border inspection stations at ports of entry along both borders and in major seaports. The Marine Hospital Service began conducting medical inspections of arriving immigrants. From this early structure, the immigration side of the present Immigration and Naturalization Service [INS] evolved.

INS moved to the Department of Justice in June 1940 as a result of a reorganization plan based on concerns of national security. The transfer was meant to provide more effective control over aliens at a time when international tensions were increasing. Changes in INS enforcement priorities required closer cooperation with Federal prosecutors and the FBI.

During the past 100 years, more than 40 million immigrants of all nationalities have come to the United States. One of the few things they all did in common was to meet an officer of the Federal agency that is now known as the Immigration and Naturalization Service. This year marks the centennial of INS. It is a rare privilege to celebrate a 100th birthday, so it is fitting that we set aside a whole year as an opportunity to recall and retell the history of "A Century of Service to a Nation of Immigrants."

I urge my colleagues to join me in supporting this resolution.

I ask unanimous consent that the text of this resolution be printed at the end of my remarks.

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

S.J. RES. 67

Whereas during the past century the dedicated staff of the Immigration and Naturalization Service (INS) has helped millions of men, women and children from the world begin their new lives in America.

Whereas President Benjamin Harrison signed on March 3, 1891, legislation creating a National Policy welcoming immigrants to America.

Whereas the first Federal immigration organization was established on July 12, 1891, when the Bureau of Immigration began operations in the Treasury Department.

Whereas INS moved to the Department of Justice in June 1940 as a result of a reorganization plan based on concerns of National security.

Whereas the Investigation Division is the interior enforcement arm of the Immigration and Naturalization Service.

Whereas INS Special Agents both led and participated in an increasing number of multi-agency task forces focusing on aliens engaged in narcotics and immigration.

Whereas the Border Patrol ensures that the entry of persons into the United States between ports of entry is controlled in a manner consistent with the national interest as established and provided for by Congress by preventing entry without inspection as well as detecting and apprehending illegal aliens within the United States.

Whereas Border Patrol agents perform their duties along and in the vicinity of 6,000 miles of international boundary and the Gulf Coast.

Whereas the Examinations Division of INS provides services to the general public. These include inspection of citizens and aliens entering the country, processing or adjudicating applications and petitions for a variety of immigration and naturalization benefits, and outreach to ethnic and community organizations that provide assistance to immigrants.

Whereas the Office of Refugee, Asylum and Parole directs the refugee admissions program overseas, asylum processing in the United States, and the use of the parole authority of the Attorney General to admit persons to the United States without visas.

Whereas the importance of the tasks performed by INS employees and the competence with which those task are carried out are too often overlooked and forgotten.

Whereas the Congress of the United States does recognize the talents and commitment that the public servants of INS bring to their vital jobs each and everyday: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby recognizes and commemorates the centennial of the Immigration and Naturalization Service. The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the centennial with appropriate ceremonies and activities from January 1, 1991 through December 31, 1991.●

ADDITIONAL COSPONSORS

S. 9

At the request of Mr. DOLE, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 9, a bill to amend the foreign aid policy of the United States toward countries in transition from communism to democracy.

S. 50

At the request of Mr. SYMMS, the names of the Senator from Missouri [Mr. BOND], the Senator from Indiana [Mr. COATS], and the Senator from Utah [Mr. GARN] were added as cosponsors of S. 50, a bill to ensure that agencies establish the appropriate procedures for assessing whether or not regulation may result in the taking of private property, so as to avoid such where possible.

S. 55

At the request of Mr. METZENBAUM, the names of the Senator from Oregon [Mr. PACKWOOD] and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 55, a bill to amend the National Labor Relations Act and the Railway Labor Act to prevent discrimination based on participation in labor disputes.

S. 134

At the request of Mr. THURMOND, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 134, a bill to establish a United States Marshals association.

S. 173

At the request of Mr. HOLLINGS, the names of the Senator from Utah [Mr. HATCH] and the Senator from Georgia [Mr. FOWLER] were added as cosponsors of S. 173, a bill to permit the Bell Telephone Companies to conduct research on, design, and manufacture telecommunications equipment, and for other purposes.

S. 199

At the request of Mr. GLENN, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 199, a bill to amend the Internal Revenue Code of 1986 to exclude from income the compensation received for active service as a member of the Armed Forces of the United States in a dangerous foreign area.

S. 232

At the request of Mr. WARNER, the names of the Senator from Arizona [Mr. MCCAIN], the Senator from Ohio [Mr. GLENN], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 232, a bill to amend title 38, United States Code, to increase the maximum amount of coverage under Servicemen's Group Life Insurance; and to direct the Secretary of Veterans Affairs to pay a death gratuity to certain survivors of members of the uniformed services who died after August 1, 1990, and before the effective date of such increase.

S. 237

At the request of Mr. NUNN, the names of the Senator from Maryland [Ms. MIKULSKI], The Senator from Hawaii [Mr. AKAKA], and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 237, a bill to amend title 37, United States Code, to increase the rate of special pay for duty subject to hostile fire or imminent danger.

S. 240

At the request of Mrs. KASSEBAUM, the name of the Senator from North Dakota [Mr. CONRAD] was added as a cosponsor of S. 240, a bill to amend the Federal Aviation Act of 1958 relating to bankruptcy transportation plans.

S. 242

At the request of Mr. GLENN, the names of the Senator from Oregon [Mr. HATFIELD] and the Senator from Maine [Mr. COHEN] were added as cosponsors of S. 242, a bill to amend the Ethics in Government Act of 1978 to modify the rule prohibiting the receipt of honoraria by certain Government employees and for other purposes.

S. 267

At the request of Mr. REID, the names of the Senator from Alaska [Mr. STEVENS], the Senator from Washington [Mr. GORTON], the Senator from Arizona [Mr. MCCAIN], the Senator from Hawaii [Mr. AKAKA], and the Senator from Arkansas [Mr. BUMPERS] were added as cosponsors of S. 267, a bill to prohibit a State from imposing an income tax on the pension or retirement income of individuals who are not residents or domiciliaries of that State.

S. 268

At the request of Mr. PACKWOOD, the names of the Senator from Delaware [Mr. ROTH], and the Senator from Utah [Mr. HATCH] were added as cosponsors of S. 268, a bill to amend the Internal Revenue Code of 1986 to authorize a deduction for the expenses of adopting a special needs child and to amend title 5, United States Code, to establish a program providing assistance to Federal employees adopting a special needs child.

S. 281

At the request of Mr. KENNEDY, the names of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 281, a bill to provide school-based education and support services and comprehensive family support services to families of members of the Armed Forces of the United States who are serving on active duty, to provide continued coverage under group health plans for the families of members of the Armed Forces serving on active duty during the Persian Gulf conflict, and for other purposes.

S. 283

At the request of Mr. KOHL, the names of the Senator from Indiana [Mr. LUGAR], the Senator from Nevada [Mr. BRYAN], the Senator from Illinois [Mr. SIMON], the Senator from Nevada [Mr. REID], and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of S. 283, a bill to direct the Secretary of Defense to prescribe regulations with respect to the stationing

of military personnel who are solely responsible for dependents at locations where facilities for dependents are not reasonably available.

S. 284

At the request of Mr. BRADLEY, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 284, a bill to amend the Internal Revenue Code of 1986 with respect to the tax treatment of payments under life insurance contracts for terminally ill individuals.

S. 294

At the request of Mr. BUMPERS, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 294, a bill to amend the Federal Election Campaign Act to exclude from the definition of "independent expenditures" those expenditures that are not truly independent of the legislative process.

S. 308

At the request of Mr. MITCHELL, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 308, a bill to amend the Internal Revenue Code of 1986 to permanently extend the low-income housing credit.

S. 313

At the request of Mr. LEVIN, his name was added as a cosponsor of S. 313, a bill to carry out obligations of the United States under the United Nations Charter and other international agreements pertaining to the protection of human rights by establishing a civil action for recovery of damages from a person who engages in torture or extra judicial killing.

S. 318

At the request of Mr. PACKWOOD, the name of the Senator from Delaware [Mr. ROTH] was added as a cosponsor of S. 318, a bill to amend the Internal Revenue Code of 1986 to provide for employees of small employers a private retirement incentive matched by employers, and for other purposes.

S. 320

At the request of Mr. RIEGLE, the names of the Senator from Illinois [Mr. DIXON], the Senator from Tennessee [Mr. SASSER], the Senator from North Carolina [Mr. SANFORD], the Senator from Florida [Mr. GRAHAM], the Senator from Alabama [Mr. SHELBY], the Senator from Nevada [Mr. BRYAN], the Senator from Colorado [Mr. WIRTH], the Senator from Massachusetts [Mr. KERRY], the Senator from Washington [Mr. ADAMS] were added as cosponsors of S. 320, a bill to reauthorize the Export Administration Act of 1979, and for other purposes.

S. 323

At the request of Mr. CHAFEE, the name of the Senator from Texas [Mr. BENTSEN] was added as a cosponsor of S. 323, a bill to require the Secretary of Health and Human Services to ensure that pregnant women receiving assistance under title X of the Public Health Service Act are provided with information and counseling regarding their pregnancies, and for other purposes.

S. 330

At the request of Mr. PRYOR, his name was added as a cosponsor of S. 330, a bill to amended the Soldiers' and Sailors' Civil Relief Act of 1940 to improve and clarify the protections provided by that Act; to amend title 38 United States Code, to clarify veterans' reemployment rights and to improve veterans' rights to reinstatement of health insurance, and for other purposes.

At the request of Mr. MITCHELL, the names of the Senator from Wisconsin [Mr. KASTEN], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of S. 330, supra.

S. 334

At the request of Mr. KENNEDY, the name of the Senator from Maryland [Mr. SARBANES] was added as a cosponsor of S. 334, a bill to provide child care services to families of members of the Armed Forces of the United States who are serving on active duty, to provide eligibility for certain health benefits for members who are released from active duty in connection with the Persian Gulf conflict, and for other purposes.

S. 335

At the request of Mr. KENNEDY, the names of the Senator from Maryland [Mr. SARBANES], the Senator from Maine [Mr. COHEN], the Senator from New Mexico [Mr. BINGAMAN], and the Senator from Kansas [Mrs. KASSEBAUM] were added as cosponsors of S. 335, a bill to provide relief for active duty military personnel serving in connection with Operation Desert Storm on obligations under the Robert T. Stafford Student Loan Program, to alleviate health care provider shortages resulting from hostilities, and for other purposes.

S. 336

At the request of Mr. KENNEDY, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 336, a bill to amend chapter 43 of title 38, United States Code, to clarify and improve reemployment rights and benefits for certain inductees and veterans, and for other purposes.

S. 349

At the request of Mr. BUMPERS, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 349, a bill to amend the Fair Labor Standards Act of 1938 to clarify the application of such act, and for other purposes.

SENATE JOINT RESOLUTION 21

At the request of Mr. SASSER, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of Senate Joint Resolution 21, a joint resolution expressing the sense of the Congress that the Department of Commerce should utilize the statistical correction methodology to achieve a fair and accurate 1990 Census.

SENATE JOINT RESOLUTION 49

At the request of Mr. SARBANES, the names of the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Kansas [Mr. DOLE], and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of Senate Joint Resolution 49, a joint resolution to designate 1991 as the "Year of Public Health" and to recognize the 75th Anniversary of the founding of the Johns Hopkins School of Public Health.

SENATE JOINT RESOLUTION 50

At the request of Mr. BRADLEY, the names of the Senator from Oklahoma [Mr. BOREN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Michigan [Mr. LEVIN], the Senator from Georgia [Mr. NUNN], the Senator from North Carolina [Mr. SANFORD], the Senator from Alabama [Mr. SHELBY], the Senator from Kentucky [Mr. FORD], the Senator from Massachusetts [Mr. KERRY], the Senator from Mississippi [Mr. COCHRAN], the Senator from Missouri [Mr. DANFORTH], the Senator from Alaska [Mr. STEVENS], the Senator from Virginia [Mr. WARNER], the Senator from Iowa [Mr. GRASSLEY], the Senator from Maryland [Mr. SARBANES], and the Senator from Nevada [Mr. BRYAN] were added as cosponsors of Senate Joint Resolution 50, a joint resolution to designate April 6, 1991, as "National Student-Athlete Day".

SENATE JOINT RESOLUTION 52

At the request of Mr. DECONCINI, the names of the Senator from Wyoming [Mr. WALLOP], the Senator from Utah [Mr. GARN], the Senator from Illinois [Mr. DIXON], the Senator from Michigan [Mr. RIEGLE], and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of Senate Joint Resolution 52, a joint resolution to designate the months of April 1991 and 1992 as "National Child Abuse Prevention Month."

SENATE JOINT RESOLUTION 53

At the request of Mr. GRAHAM, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of Senate Joint Resolution 53, a joint resolution to designate April 9, 1991 and April 9, 1992, as "National Former Prisoner of War Recognition Day."

SENATE JOINT RESOLUTION 56

At the request of Mr. KASTEN, the names of the Senator from Pennsylvania [Mr. SPECTER], the Senator from Mississippi [Mr. COCHRAN], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Arkansas [Mr. PRYOR], the Senator from Missouri [Mr. BOND], the Senator from Tennessee [Mr. GORE], the Senator from Oregon [Mr. HATFIELD], the Sen-

ator from Kansas [Mrs. KASSEBAUM], the Senator from Vermont [Mr. LEAHY], the Senator from South Carolina [Mr. THURMOND], the Senator from Maryland [Mr. SARBANES], the Senator from Washington [Mr. GORTON], the Senator from Alaska [Mr. MURKOWSKI], the Senator from North Dakota [Mr. CONRAD], the Senator from California [Mr. CRANSTON], the Senator from Vermont [Mr. JEFFORDS], the Senator from Virginia [Mr. ROBB], the Senator from Alaska [Mr. STEVENS], the Senator from North Carolina [Mr. HELMS], the Senator from Hawaii [Mr. AKAKA], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Rhode Island [Mr. PELL], the Senator from South Dakota [Mr. PRESSLER], the Senator from Georgia [Mr. NUNN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Rhode Island [Mr. CHAFEE], the Senator from New York [Mr. D'AMATO], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Florida [Mr. GRAHAM], the Senator from Maryland [Ms. MIKULSKI], the Senator from Utah [Mr. HATCH], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Louisiana [Mr. BREAUX], and the Senator from Connecticut [Mr. DODD], were added as cosponsors of Senate Joint Resolution 56, a joint resolution to designate the period commencing March 10, 1991 and ending on March 16, 1991, as "Deaf Awareness Week."

SENATE JOINT RESOLUTION 59

At the request of Mr. SPECTER, the names of the Senator from Rhode Island [Mr. CHAFEE], the Senator from Mississippi [Mr. COCHRAN], the Senator from Idaho [Mr. CRAIG], the Senator from New York [Mr. D'AMATO], the Senator from Kansas [Mr. DOLE], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Utah [Mr. GARN], the Senator from Washington [Mr. GORTON], the Senator from Iowa [Mr. GRASSLEY], the Senator from Utah [Mr. HATCH], the Senator from North Carolina [Mr. HELMS], the Senator from Vermont [Mr. JEFFORDS], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Alaska [Mr. MURKOWSKI], the Senator from Oregon [Mr. PACKWOOD], the Senator from South Dakota [Mr. PRESSLER], the Senator from Delaware [Mr. ROTH], the Senator from New Hampshire [Mr. RUDMAN], the Senator from South Carolina [Mr. THURMOND], the Senator from Washington [Mr. ADAMS], the Senator from Hawaii [Mr. AKAKA], the Senator from Texas [Mr. BENTSEN], the Senator from Delaware [Mr. BIDEN], the Senator from Oklahoma [Mr. BOREN], the Senator from New Jersey [Mr. BRADLEY], the Senator from Nevada [Mr. BRYAN], the Senator from Arkansas [Mr. BUMPERS], the Senator from North Dakota [Mr. BURDICK], the Senator from North Dakota [Mr. CONRAD], the Senator from California [Mr. CRANSTON], the Senator from Arizona [Mr. DECONCINI], the Senator from Illinois [Mr. DIXON], the Senator from Connecticut [Mr. DODD], the Senator from Ohio [Mr. GLENN], the Senator from Florida [Mr. GRAHAM], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Massachusetts [Mr. KERRY], the Senator from Michigan [Mr. LEVIN], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maryland [Ms. MIKULSKI], the Senator from New York [Mr. MOYNIHAN], the Senator from Rhode Island [Mr. PELL], the Senator from Arkansas [Mr. PRYOR], the Senator from Nevada [Mr. REID], the Senator from Michigan [Mr. RIEGLE], the Senator from West Virginia [Mr. ROCKEFELLER], the Senator from Virginia [Mr. ROBB], the Senator from Maryland [Mr. SARBANES], the Senator from Alabama [Mr. SHELBY], and the Senator from Illinois [Mr. SIMON] were added as cosponsors of S.J. Res. 59, a joint resolution designating March 25, 1991, as "Greek Independence Day; a National Day of Celebration of Greek and American Democracy."

SENATE JOINT RESOLUTION 64

At the request of Mr. BRADLEY, the names of the Senator from Hawaii [Mr. AKAKA], the Senator from Nevada [Mr. BRYAN], the Senator from Nebraska [Mr. KERREY], the Senator from Michigan [Mr. RIEGLE], the Senator from Tennessee [Mr. SASSER], the Senator from Iowa [Mr. GRASSLEY], the Senator from Missouri [Mr. BOND], the Senator from Delaware [Mr. ROTH], the Senator from Idaho [Mr. SYMMS], the Senator from South Dakota [Mr. DASCHLE], and the Senator from Colorado [Mr. BROWN] were added as cosponsors of Senate Joint Resolution 64, a joint resolution to authorize the President to proclaim the last Friday of April as "National Arbor Day."

SENATE CONCURRENT RESOLUTION 11—ESTABLISHING THE ALBERT EINSTEIN CONGRESSIONAL FELLOWSHIP PROGRAM

Mr. HATFIELD submitted the following concurrent resolution; which was referred to the Committee on Rules and Administration:

S. CON. RES. 11

Whereas a need exists to facilitate understanding, communication, and cooperation between Congress and the science education community;

Whereas the science education community includes a cadre of nationally recognized outstanding secondary school science and mathematics teachers; and

Whereas secondary school science and mathematics teachers can provide insight into educational programs that work effectively: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. FELLOWSHIP PROGRAM.

(a) IN GENERAL.—The Speaker of the House of Representatives and the President pro tempore of the Senate are authorized to enter into an agreement with the Triangle Coalition for Science and Technology Education to establish an Albert Einstein Congressional Fellowship Program (referred to in this concurrent resolution as the "fellowship program", which provides for each fiscal year, beginning with fiscal year 1991, two fellowships within the House of Representatives (referred to in this concurrent resolution as the "House fellowships") and two fellowships within the Senate (referred to in this concurrent resolution as the "Senate fellowships").

(b) RESPONSIBILITIES.—The Speaker of the House of Representatives and the President pro tempore of the Senate may enter into the agreement described in subsection (a), and fund fellowships as specified in section 4(a), only if the Triangle Coalition for Science and Technology Education—

(1) undertakes the application responsibilities referred to in section 2(a);

(2) participates in the evaluation referred to in section 3; and

(3) provides the funding for administration and evaluation costs referred to in section 4(b).

SEC. 2. SELECTION PROCESS.

(a) APPLICATION.—The Triangle Coalition for Science and Technology Education shall—

(1) publicize the fellowship program;

(2) develop and administer an application process; and

(3) conduct an initial screening of applicants for the fellowship program.

(b) SELECTION.—

(1) HOUSE FELLOWSHIPS.—The Speaker and the Minority Leader of the House of Representatives, in consultation with the chairmen and ranking minority party members of the Committee on Education and Labor of the House of Representatives and the Committee on Science, Space, and Technology of the House of Representatives, shall each select one of the recipients of the House fellowships.

(2) SENATE FELLOWSHIPS.—The President pro tempore and the Minority Leader of the Senate, in consultation with the chairmen and ranking minority party members of the Committee on Labor and Human Resources of the Senate and the Committee on Commerce, Science, and Transportation of the Senate, shall each select one of the recipients of the Senate fellowships.

(c) PLACEMENT OF FELLOWSHIPS.—

(1) HOUSE FELLOWSHIPS.—The Speaker of the House of Representatives, in consultation with the Members referred to in subsection (b)(1), may place one fellowship recipient on the staff of the Committee on Education and Labor of the House of Representatives, and one recipient on the staff of the Committee on Science, Space, and Technology of the House of Representatives. Either or both of these recipients may instead serve on the personal staff of a member of the House of Representatives.

(2) SENATE FELLOWSHIPS.—The President pro tempore of the Senate, in consultation with the Members referred to in subsection (b)(2), may place one fellowship recipient on the staff of the Committee on Labor and Human Resources, and one recipient on the staff of the Committee on Commerce, Science, and Transportation. Either or both of these recipients may instead serve on the personal staff of a member of the Senate.

(d) ELIGIBLE RECIPIENTS.—Recipients shall be selected from a pool of nationally recognized outstanding secondary school science and mathematics teachers. The pool shall include teachers who have received Presi-

dential Awards for Excellence in Science and Mathematics Teaching, as established by section 117(a) of the National Science Foundation Authorization Act of 1988 (42 U.S.C. 1881b), or other similar recognition of skills, experience, and ability as science or mathematics teachers.

(e) COMPENSATION.—

(1) HOUSE FELLOWSHIPS.—The Speaker of the House of Representatives shall fix the compensation of each recipient of a House fellowship.

(2) SENATE FELLOWSHIPS.—The President pro tempore of the Senate shall fix the compensation of each recipient of a Senate fellowship.

(f) LENGTH OF TERM.—Each fellowship recipient shall serve for a period of up to 1 year.

SEC. 3. EVALUATION.

The Chairman of each committee referred to in section 2(b) and the Executive Director of the Triangle Coalition for Science and Technology Education shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate, as appropriate, an annual report evaluating the fellowship program, and shall make recommendations concerning the continuation of the program.

SEC. 4. FUNDING.

(a) FELLOWSHIPS.—

(1) HOUSE FELLOWSHIPS.—For fiscal years 1991 and 1992, the funds necessary to provide any House fellowship shall be paid from the contingent fund of the House of Representatives, but not to exceed a total of $40,000 in fiscal year 1991 and $42,500 in fiscal year 1992 for the House fellowships.

(2) SENATE FELLOWSHIPS.—For fiscal years 1991 and 1992, the funds necessary to provide any Senate fellowships shall be paid from the contingent fund of the Senate, but not to exceed a total of $40,000 in fiscal year 1991 and $42,500 in fiscal year 1992 for the Senate fellowships.

(b) ADMINISTRATION AND EVALUATION.—The Triangle Coalition for Science and Technology Education shall provide the funds necessary for the administration of the fellowship program and for the evaluation referred to in section 3.

• Mr. HATFIELD. Mr. President, Senate Concurrent Resolution 11 establishes the Albert Einstein Congressional Fellowship Program to honor secondary teachers of mathematics and science. This legislation provides for fellowships in the Senate and the House of Representatives for each fiscal years 1991 and 1992. Each year, two mathematics and two science teachers will serve on congressional committees or on personal staffs of Members to work on science and education issues.

Mr. President, my colleagues are aware of my deep concern for the improvement of mathematics and science education. I have sponsored and supported many legislative efforts with this focus over the past 4 years. Throughout this time, however, I have become increasingly concerned that the actions we take at the Federal level must be responsive to and consistent with the realities at the school level.

It is our responsibility to promote communication, cooperation, and understanding between the science education community and the Federal Government.

School-based educators possess knowledge from which Congress should draw. In addition to teachers' insights on program effectiveness, we need their experience on what works with students in classrooms and among teachers in professional development. We can benefit from their perspective on policies that promote progress toward the national goals related to mathematics and science education.

Mr. President, the Senate approved this resolution last fall but a number of issues prevented action in the House.

The Triangle Coalition for Science and Technology Education implemented its Congressional Fellowship Program last September with the hope that its first four participants would be named Einstein Congressional Fellows. I recognize the pioneering work of the Triangle Coalition and ask the Senate to support the Einstein Program in the 1991 and 1992 fiscal years while permanent funding is sought.

The funds provided in this resolution are intended solely to augment the salaries of the Albert Einstein Congressional Fellows. The Triangle Coalition has been awarded a foundation grant for program costs and partial salaries for the fellows.

The Albert Einstein Congressional Fellowship Program has the strong support of the National Science Teachers Association and the National Council of Teachers of Mathematics. I urge my colleagues in the Senate to endorse the active participation of secondary teachers in legislative activities in the Congress.•

SENATE RESOLUTION 49—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 49

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Banking, Housing, and Urban Affairs is authorized from March 1, 1991, through February 29, 1992, and March 1, 1992, through February 28, 1993, in its discretion (1) to make expenditures from the contingent fund of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or non-reimbursable, basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee for the period March 1, 1991, through February 29, 1992, under this resolution shall not exceed $3,647,497, of which amount not to exceed $1,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

(b) For the period March 1, 1992, through February 28, 1993, expenses of the committee under this resolution shall not exceed $3,777,700, of which amount not to exceed $1,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and not to exceed $1,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than February 29, 1992, and February 28, 1993, respectively.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate, the payment of long distance telephone calls, or for the payment of stationery supplies purchased through the Keeper of Stationery, United States Senate.

SEC. 5. There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committee from March 1, 1991, through February 29, 1992, and March 1, 1992, through February 28, 1993, to be paid from the Appropriations account for "Expenses of Inquiries and Investigations."

SENATE RESOLUTION 50—COMMENDING DAVID BAUMEISTER FOR HIS LIFETIME OF COMMUNITY SERVICE

Mr. STEVENS submitted the following resolution; which was considered and agreed to:

S. RES. 50

Whereas the programs which do the most to define the character of any community are made possible through the commitment and resourcefulness of volunteers;

Whereas volunteerism is particularly important to the success of organized athletics for young people as well as to amateur athletics;

Whereas David Baumeister, born February 19, 1944, served his country as an Army helicopter pilot, including service in Vietnam, before becoming a commercial helicopter pilot;

Whereas he has resided in Anchorage, Alaska, since 1969;

Whereas Mr. Baumeister has established himself as a leader in Alaska's business community during a successful career in aviation, first as a helicopter pilot, then working his way up and ultimately becoming president of his firm in 1984;

Whereas, while achieving success in business, he has also been selfless in committing himself to community service in many forms, including several programs for the benefit of Anchorage's youths;

Whereas Mr. Baumeister has served on the board of directors of the Anchorage Boys Club, the Board of Junior Achievement of Alaska and is the current president of the Anchorage Hockey Referee Association;

Whereas he has served as president of the Anchorage Olympic organizing Committee, which led successful efforts to name Anchorage as the United States' candidate for the site of the 1992 and 1994 winter Olympic games; and

Whereas Mr. Baumeister's a contributions have improved the lives of the residents of Anchorage and helped to establish the international caliber of winter sports in Alaska: Now, therefore be it

Resolved, That the Senate of the United States commends David Baumeister for a lifetime of contributions in business and community service which have set an example for the people of Alaska and of the nation.

SENATE RESOLUTION 51—RELATIVE TO POLITICAL PRISONERS IN VIETNAM

Mr. KENNEDY (for himself, Mr. DOLE, Mr. PELL, Mr. SIMPSON, Mr. LUGAR, Mr. MCCAIN, and Mr. PACKWOOD) submitted the following resolution; which was considered and agreed to:

S. RES. 51

Whereas almost 16 years have passed since the end of the Vietnam war;

Whereas the Senate, in a resolution adopted on May 1, 1987, called upon the Government of the Socialist Republic of Vietnam to "release the remaining prisoners held as a result of their previous association with the Government of South Vietnam prior to 1975" and to permit prisoners to join their families abroad;

Whereas during the past three years the Government of the Socialist Republic of Vietnam has released significant numbers of political prisoners from "re-education camps" and has permitted many former prisoners to join their families abroad; and

Whereas at least 150 officials of the former Government of South Vietnam nonetheless remain in "re-education camps" in Vietnam, and thousands of former prisoners still have been unable to reunite with their families in the United States and elsewhere: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Government of the Socialist Republic of Vietnam should continue to release the remaining political prisoners held as a result of their previous association with the Government of South Vietnam prior to 1975;

(2) the Government of the Socialist Republic of Vietnam should permit the expeditious departure of those former prisoners wishing to depart Vietnam; and

(3) the President and the Secretary of State should continue to give highest priority to efforts to speed and facilitate the reunion of former prisoners with their families in the United States.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

SENATE RESOLUTION 52—ORIGINAL RESOLUTION REPORTED AUTHORIZING EXPENDITURES BY THE COMMITTEE ON SMALL BUSINESS

Mr. BUMPERS, from the Committee on Small Business, reported the following original resolution; which was referred to the Committee on Rules and Administration:

S. RES. 52

Resolved, That, in carrying out its powers, duties, and functions under the Standing Rules of the Senate, in accordance with its jurisdiction under rule XXV of such rules, including holding hearings, reporting such hearings, and making investigations as authorized by paragraphs 1 and 8 of rule XXVI of the Standing Rules of the Senate, the Committee on Small Business is authorized from March 1, 1991, through February 29, 1992, and March 1, 1992, through February 28, 1993, in its discretion (1) to make expenditures from the contingent funds of the Senate, (2) to employ personnel, and (3) with the prior consent of the Government department or agency concerned and the Committee on Rules and Administration, to use on a reimbursable, or non-reimbursable, basis the services of personnel of any such department or agency.

SEC. 2. The expenses of the committee for the period March 1, 1991, through February 29, 1992, under this resolution shall not exceed $1,094,447, of which amount (1) not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $3,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

(b) For the period March, 1, 1992, through February 28, 1993, expenses of the committee under this resolution shall not exceed $1,134,791, of which amount (1) not to exceed $20,000 may be expended for the procurement of the services of individual consultants, or organizations thereof (as authorized by section 202(i) of the Legislative Reorganization Act of 1946, as amended), and (2) not to exceed $3,000 may be expended for the training of the professional staff of such committee (under procedures specified by section 202(j) of the Legislative Reorganization Act of 1946).

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but no later than February 29, 1992, and February 28, 1993, respectively.

SEC. 4. Expenses of the committee under this resolution shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee, except that vouchers shall not be required for the disbursement of salaries of employees paid at an annual rate, the payment of long distance telephone calls, or for payment of stationery supplies purchased through the Keeper of Stationery, United States Senate.

SEC. 5. There are authorized such sums as may be necessary for agency contributions related to the compensation of employees of the committee from March 1, 1991, through February 29, 1992, and March 1, 1992, through February 28, 1993, to be paid from the Appropriations account for "Expenses of Inquiries and Investigations."

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, February 6, 1991, at 10:30 a.m., for a hearing on the nomination of Andrew Lamar Alexander, to be Secretary of the U.S. Department of Education.

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

COMMITTEE ON FINANCE

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Wednesday, February 6, 1991, at 10:15 a.m., to hold a hearing on the prospect of free trade negotiations with Mexico.

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

COMMITTEE ON ARMED SERVICES

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet in open session during the session of the Senate on Wednesday, February 6, 1991, at 2 p.m., to consider the nomination of Robert W. Gambino, to be Director of Selective Service.

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

ADDITIONAL STATEMENTS

GOVERNOR DECLARES FEBRUARY FLORIDA GRAPEFRUIT MONTH

• Mr. GRAHAM. Mr. President, I rise today to remark upon a recent proclamation issued by the new Governor of Florida, Lawton Chiles, declaring February Florida Grapefruit Month. Governor Chiles had good reason to honor Florida grapefruit. For more than 75 years, Florida has been producing grapefruit; in fact, this year, our State will grow more than 50 percent of the world's grapefruit. That translates into more than 4 billion pounds from over 11 million grapefruit trees on 125,000 acres of Florida land.

The economic impact of grapefruit and the Florida citrus crop will exceed $8 billion this year. More than 144,000 individuals will be employed by the industry. And Florida grapefruit exports are helping our balance of trade with many countries, but particularly in the Pacific rim where Florida grapefruit is prized for its superior quality and flavor.

Mr. President, Florida grapefruit is easy to eat, tastes great, supplies 100 percent of the United States recommended daily allowance for vitamin

C, and is a good source of vitamin A, potassium, folic acid, and dietary fiber. Given the importance of the grapefruit crop to Florida and the United States, I ask my colleagues to join me in saluting Florida's citrus industry and the world's finest grapefruit.●

TO PROHIBIT HIRING OF PERMANENT REPLACEMENT WORKERS—S. 55

● Mr. PACKWOOD. Mr. President, I rise today in support of S. 55, a bill to prohibit employers from hiring permanent replacement workers during a strike.

During the past year, I received a number of calls and letters from Oregonians urging me to cosponsor S. 55. In fact, many workers from back home came to Washington to convey how critically important this bill is to the labor community in Oregon. Employees in Oregon and across the country are concerned that if this bill fails to pass, any leverage labor has during negotiations with management will be undermined. I know from personal experience how labor negotiations work, and share their concerns.

Prior to being elected to the U.S. Senate, I worked for a law firm in Portland that specialized in labor/management disputes. During the negotiations, I had many opportunities to get to know labor leaders on a personal as well as professional level. It was not uncommon for us to get together for a beer after a hard day of negotiations. It was here that I learned the most about what is important to the labor movement.

Good faith negotiations were always important in my job. If you were fair, you were well respected—no matter on which side of the negotiating table you sat.

The many businesses who act in good faith now, will have little difficulty complying with this legislation. Rather, this bill targets the bad apples out there, whose unscrupulous behavior seeks to undermine labor's strength—it is these employers who will feel the effects of the new law.

Labor law guarantees that an employee has the right to withhold his or her labor to demand increased wages, benefits, or conditions. When an employer threatens to hire permanent replacement workers, this undermines the one bargaining chip with which unions have to negotiate. All too often, the hiring of permanent replacement workers becomes the focal point during negotiations, not the increased wages or benefits that were originally the cause of the labor dispute in the first place.

In many areas around my State, the mill or the factory is the town's main employer. The whole community's livelihood focuses on that mill or factory. Hiring replacement workers is no longer just a business decision, it is a slap in the face of those workers who put their blood, sweat, and tears into that mill or factory. No out-of-town or out-of-State replacement worker can match that dedication.

So, Mr. President, as we recognize those men and women who are serving our country in the Persian Gulf, let us take this opportunity to also recognize the dedicated mill workers, factory workers, and other laborers who struggle daily to make a living.

A vote in support of this legislation is a vote in support of our Nation's labor force.●

THE WOMEN'S BUSINESS BANK LOAN PROGRAM

● Mr. DIXON. Mr. President, I rise today to give recognition to a women's entrepreneurial and financial assistance program in my State, the Women's Business Bank Loan Program. The Women's Business Development Center, and several banks and foundations have embarked on a public-private partnership to assist the business activities of women.

While women own 31 percent of all nonfarm proprietorships in the United States, they generate only 13 percent of all revenues. One of the reasons behind this discrepancy is the inability of women owned companies to borrow the necessary money to expand.

Financial institutions prefer to make loans to businesses with sufficient collateral in the form of real estate or marketable securities. The assets of service businesses are people, contracts, and good will—not brick and mortar. Nationwide, 55 percent of women owned businesses are in the service sector. In Chicago, the statistics for women owned businesses in the personal and business service area is over 70 percent.

This loan program addresses the problem of insufficient collateral by creating a $100,000 collateral pool funded by foundations. The Women's Business Bank Loan Program provides the necessary money for growth. While this program cannot help all women owned businesses nationwide, I hope it will provide a model for other States.

The loan program is a revolving guaranteed loan fund, backed by a collateral pool that will reduce a bank's risk when making unsecured loans to women business owners. Currently, the Northern Trust Co., the Harris Bank, and the First National Bank of Chicago have made a $1,100,000 line of credit available. This is backed by a $100,000 collateral pool funded with contributions from the Amoco Fund for Neighborhood Economies and the Chicago Community Trust. Participation by more banks and foundations is being sought.

These financial institutions and foundations in my State deserve special recognition for having the foresight and confidence to invest in their community. This program is by no means charity. It is a prime example of an intelligent and effective response to the needs of growing businesses owned by women. This solution is a concrete example of a community's creative and innovative approach to solving a national problem.●

UTAH DENTAL ASSOCIATION 100 YEARS OF EXCELLENCE

● Mr. HATCH. Mr. President, I rise to recognize the 100th anniversary of the Utah Dental Association. On Friday, February 8, 1991, the Utah Dental Association will gather in Salt Lake City to honor a century of excellence.

It has been said that dentistry in Utah experienced the same pioneer beginnings as the Utah people. It began in quite a limited form in 1847, when a blacksmith and a barber possessed the same extracting tool and were able to extract a sore tooth.

However, dentistry has experienced tremendous growth and advancement since the first dentist, Dr. Alexander Neibaur, came to Utah. He earned his dentistry degree from the University of Berlin before the age of 23 and immigrated to America in 1841. Soon after arriving in America, he traveled west and practiced dentistry whenever possible. Dr. Neibaur had about 150 patients in Utah, including Brigham Young, the president of the Church of Jesus Christ of Latter-Day Saints. During Dr. Neibaur's practice, cavities in decaying teeth were cleaned with picks and filled with alum and borax, then sealed over with beeswax. The only anesthetic used was laudanum.

The first woman dentist in the State of Utah, Dr. Rose Ellen Bywater Valentine, recalls the procedure to prepare a tooth for extraction when she first trained under Dr. L.H. Berg.

> * * * Before things got to the pulling stage, the tooth was doctored with crushed cloves, or with oil of cloves put on a piece of cotton and (tamped) firmly into the cavity. * * * One old dental book prescribed chewing the root of a Blue Flag flower for relief.

Dr. Bywater practiced dentistry from 1903 until 1960.

Since its pioneer beginnings, the Utah Dental Association has striven to provide leadership in maintaining high quality care and professionalism. It has made major contributions to society through service to its fellow citizens, as well as being active in civic affairs.

Under the leadership of Monte Thompson, the executive director, the Utah Dental Association promotes continuing excellence in dentistry and is highly involved in directing public policy. Ninety presidents have led the association over its 100 years, and all have assisted the association in developing into an accomplished service organization.

I applaud the Utah Dental Association for its efforts and outstanding accomplishments, and we welcome the next 100 years of professional and caring service.●

THE MYTH OF LINKAGE: WHY THE GULF CRISIS IS UNRELATED TO THE PALESTINIAN ISSUE

● Mr. PACKWOOD. Mr. President, a critical factor in the current Middle East crisis has been the efforts of Saddam Hussein, the PLO, and other Arab extremists to create a kind of moral and political equivalence between Iraq's barbarous occupation of Kuwait and the issue of the Palestinians in the West Bank and Gaza. In fact, no such connection exists, and President Bush and his administration have made clear that any attempt to link these two issues is artificial and unacceptable to the United States. Nevertheless, confusion persists in some quarters about the fundamental differences between these two situations. I was pleased, therefore, to receive recently a pamphlet produced by the Anti-Defamation League of B'nai B'rith about this issue. Entitled "The Myth of Linkage: Why the Gulf Crisis is Unrelated to the Palestinian Issue," the pamphlet addresses this question in a clear, persuasive fashion. I commend it to my colleagues and request that the text be included in the RECORD.

The text follows:

In August 1990, Iraqi leader Saddam Hussein shocked the international community with his brutal invasion, occupation and annexation of his neighboring Arab country Kuwait. As the crisis continues to unfold, Iraqi aggression has had a major impact on the Middle East. In particular, it has highlighted the instability, volatility and dangers inherent in the region.

At the same time, however, detractors of Israel abroad and at home have tried to divert attention from the Gulf crisis as part of an ongoing effort to change American public opinion toward the Jewish state. Discussions equating Saddam Hussein's occupation of Kuwait with Israel's occupation of the West Bank and Gaza and proposals to link the resolution of the Gulf crisis to the Israeli-Palestinian conflict, for example, have served to confuse some of the fundamental issues surrounding the Arab-Israeli conflict and its Palestinian-Israeli dimension.

As Israel's struggle to balance its security needs and its desire for peace and accommodation with its neighbors continues, it is important to remember that the basic facts of the Arab-Israeli conflict remain the same. The talking points that follow have been prepared for the purpose of clarification of these important issues.

Is Israel's occupation of the West Bank and Gaza analogous to Iraq's occupation of Kuwait?

There are very real differences between the two situations. The first is how they came about. Israel came into possession of the West Bank, Gaza, the Golan Heights and the Sinai as a result of war fought in self-defense in 1967. Egypt and Syria took active steps of aggression against Israel, threatening its very existence. Jordan entered the fray soon thereafter despite its initial commitment to stay out. Iraq, on the other hand, seized Kuwait in August 1990 is as clear an act of unprovoked aggression as any since Hitler's march through Europe.

Second, Israel made it clear soon after gaining control of the territories that the future of the areas could be negotiated among the parties. And indeed, when one party, Egypt, finally was ready to end its war against Israel, peace was achieved and Israel turned over the Sini peninsula to Egypt. In contrast, Baghdad has made clear its intentions not only through its aggression but by its immediate declaration that Iraq had annexed Kuwait and that, in fact, Kuwait had ceased to exist.

The difference between the situations in the West Bank and Gaza and that in Iraq is highlighted by the way the United Nations approached each in its early stage. In the case of Israel, UN Resolution 242 recognized that Israel was in the territories as a result of a war forced upon it by hostile neighboring states. The resolution, therefore, legitimized Israel's presence in the areas until the Arabs made peace. On the other hand, in the case of Iraq's invasion, there was absolutely no legitimacy granted to its action by the UN body. Instead, the UN condemned Iraq and instituted sanctions, adopted unanimously by the Security Council, to enforce a unilateral Iraqi withdrawal from Kuwait.

Ironically, if there is any real connection to be drawn between Iraq's devastation of Kuwait and Israel, it is that what Iraq has inflicted on Kuwait is precisely what the Arab world has been seeking to do to Israel for the past 43 years.

Should the resolution of the Gulf crisis be linked to a resolution of the Palestinian situation as Saddam Hussein has proposed?

The crisis in the Gulf is totally separate from the historical conflict between Israel, the Palestinians and the larger Arab world. Saddam Hussein's actions and anti-Israel rhetoric have played upon nationalist sentiment to win him widespread support among the Palestinian and Jordanian populations. However, this very behavior has been flatly rejected as a diversionary tactic by most members of the U.S.-led coalition opposing Iraq. In fact, Arab members of the coalition—including Syria, Israel's fiercest opponent in the Arab-Israeli conflict—have been among the most outspoken critics of Hussein's attempt to link the Palestinian issue with events in the Gulf.

Speaking in Washington on November 5, for example, Kuwait's Ambassador to the U.S., Sheik Saud Nassir Al-Sabah, stated that Kuwait sees "no linkage whatsoever between these crises. And if anyone for that reason—if anyone thinks that Saddam Hussein is caring for the interests of the Palestinian people or the Lebanese by invading and killing their brothers in Kuwait [he or she] is completely mistaken because that's not really the issue here . . . any attempt to link it is doomed to failure. It's not just detrimental to our cause—[it's] detrimental even to other people's causes when such a person tries to use this as a ploy in order to justify his occupation of a country."

Would the resolution of the Palestinian and Arab conflicts with Israel necessarily result in peace in the Middle East?

Following numerous regional struggles which have taken place over many decades, the current crisis in the Gulf clearly demonstrates that armed conflict and civil strife would continue unabated in the Middle East even if the Palestinian and larger Arab-Israeli conflicts were resolved.

The real obstacle to peace in the region is the behavior of many Arab states. The undemocratic, indeed dictatorial, nature of their regimes, the brutal treatment of their own citizens, their refusal to recognize and end the state of war with Israel, and—as demonstrated most flagrantly by Iraq's occupation of Kuwait—their failure to respect the territorial integrity of neighboring states, pose a continuing threat to regional stability which has nothing at all to do with Israel.

Is the Palestinian issue the major cause of the Arab-Israeli conflict?

The Palestinian issue is not the cause of the Arab-Israeli conflict. In reality, the plight of the Palestinians is to a great extent the result, not the cause, of the larger Arab dispute with Israel. Specifically, the real source of the Palestinian plight lies in the refusal of the Arab states to recognize Israel's right to exist as a sovereign Jewish state in the Middle East. Since Israel's inception, all Arab governments excepting Egypt have consistently chosen war over peace and rejection over acceptance of the Jewish state.

Unfortunately, it is the Palestinian people who have suffered most as a result of this policy. It was the Arab governments, not the Jewish leadership, that rejected the 1947 U.N. Partition Plan calling for two states—one Arab, one Jewish—in mandatory Palestine. During the 19 years of Jordanian and Egyptian rule over the West Bank and Gaza, no move was made by those governments or by the Palestinians themselves to establish a Palestinian state. And, if the Arab states and the PLO had not rejected the Camp David option, Palestinians today could be enjoying autonomy or even more if during the first years of autonomy they had demonstrated peaceful intentions toward Israel. Unfortunately, so long as the Arab states, because of their unwillingness to come to terms with Israel, continue to say "no" to Israel, they will also be saying "no" to those in Israel seeking negotiation and to Palestinian hopes for political satisfaction.

Why do Israel and the U.S. oppose the creation of a Palestinian state?

The final status of the West Bank and Gaza is an open question which can only be resolved through direct negotiations among the parties to the conflict themselves. In order for there to be real peace, Israelis and Palestinians must sit down together and engage in direct negotiations. Successive American administrations have realized that outside parties such as the United States cannot rightfully dictate to those whose lives are on the line whether or not a state should be established. What we should do, however, is to continue to play the role of coach, urging forward the process toward direct negotiations and peace. Toward that end, Israel has taken an important step in its May 1989 peace plan which calls for talks between Israel and the Arab states at war with her, free elections in the West Bank and Gaza and for direct negotiations between Israel and the Palestinian representatives so elected.

Creating a Palestinian state would not automatically result in an end to the conflict between the Arab states and Israel. The Israeli-Palestinian dispute is only one aspect of the larger Arab-Israeli conflict. With the exception of Egypt, every Arab country remains in a formal state of war with Israel. In this hostile environment, a newly formed Palestinan Arab state is likely to be drawn into, if not the base for, future confrontations with Israel.

Israel's opposition to the creation of a Palestinian state on its doorstep is based on legitimate concerns for its security and very

survival, not, as its detractors would claim, on a desire to repress another people. Although in December 1988 Yasir Arafat articulated the key words required by Washington for a U.S.-PLO dialogue, these words have not been translated into moderate behavior toward Israel. The PLO continues to orchestrate and conduct violent activity against Israeli targets, and the call for Israel's destruction contained in the organization's founding charter (the Palestine National Covenant), remains intact. Most recently, the PLO has rallied around Saddam Hussein in support of the Iraqi leader's aggressive stance against Israel and the West. It is understandable, therefore, that Israel fears that a PLO-led state on its border would become a base for terrorist operations into Israel and a threat to its security.

Many military and strategic analysts in the United States and Israel have determined that a Palestinian state on Israel's doorstep would weaken its ability to defend itself while yielding the strategic advantage to those who seek its destabilization. Such a state would have a dramatic effect on Israel's defense capabilities, reducing the country's operational borders to a mere nine to fifteen miles in width. Additionally, a Palestinian state in the territories would deprive Israel to a significant degree of the defensible space necessary to offset the vast quantitative superiority of the surrounding enemy Arab states.

What is the West Bank and why is Israel involved there at all?

The territory which in recent years has come to be known as the West Bank was the heart of ancient Israel and the site of many significant events in Jewish history. In ancient times, the area was known as Judea and Samaria; in fact, it was identified as such throughout the British Mandate and by the United Nations until the area's capture by Jordan in 1948.

In the ninth century B.C.E. Samaria was the capital of the Israelite Kingdom. Since that time, like Gaza, the West Bank has been occupied territory. The Romans were the first to capture the area as part of their conquest of Israel in approximately 130 C.E. In an attempt to remove signs of a Jewish connection to the land, the Romans expelled a majority of the Jewish population and changed the name of Israel to Palestine. The area was later ruled for 400 years by the Ottomans and then by Britain under a mandate from the United Nations following the defeat of the Turkish Empire.

In 1947, while the Mandate was still in effect, the United Nations proposed a plan to partition Palestine into two States—one Jewish and one Arab. The proposed Arab state of Palestine was to include the West Bank. But the Arab states rejected the compromise plan and upon the British withdrawal from Palestine in 1948 attacked the new-born state of Israel. In the fighting that ensued, Jordan occupied the West Bank. The area remained under Jordanian rule for 19 years until 1967 when Israel repelled invading Jordanian forces and thus gained control of the territory.

Immediately following its occupation of the area, Jordan renamed the territory as the West Bank, thereby minimizing the Jewish association with the land which the names Judea and Samaria evoked. Two years later, in 1950, Jordan annexed the territory, a move which elicited international condemnation—the Arab world included—and was recognized by Britain and Pakistan alone. Throughout Jordanian rule, Jews were denied the right to live in the area or to visit their holy sites.

During the 19 years in which Jordan ruled the area, the West Bank, along with the Gaza Strip, served as a base for terrorist operations into Israel. Moreover, throughout that period, Jordan used the Palestinian population as a weapon with which to continue the Arab war against Israel; never was an effort made by Jordan (or by Egypt, which occupied Gaza), to create an independent Palestinian state. Jordan also neglected the territory in terms of economic and agricultural development, pouring all its resources and revenue into the development of the East Bank and leaving its West Bank citizens with scarce economic, agricultural and educational opportunities.

Israel remains in the West Bank today because in many ways the realities that led to the 1967 Arab-Israeli war remain unchanged. At the war's end, Israel signalled to the Arab world its readiness to negotiate with the Arab states for genuine peace. Three months later, at an Arab Summit meeting in Khartoum, the Arab states issued their response in the form of the "three nos": "no peace with Israel, no negotiations with Israel, no recognition of Israel."

Today, 20 of the 21 Arab states remain in a formal state of war with Israel and despite Yasir Arafat's December 1988 declaration accepting the Jewish state and renouncing terrorism, PLO violence against Israeli targets—civilian as well as military—has continued and the call for Israel's destruction contained in the organization's founding charter stands intact. Thus, Israel has remained in the West Bank these 23 years, not because of expansionist motivations attributed to it by its detractors, but because of legitimate security concerns.

Were Israel to unilaterally withdraw from the West Bank tomorrow, it would be leaving itself highly vulnerable to the threat of increased terrorism and military attack. Without the West Bank as a strategic buffer, Israel's border would shrink back to a mere 9 to 14 miles in width. Furthermore, it can be assumed that were Israeli forces to leave the West Bank, a PLO-led state would ultimately be established. Given the hostile environment in which the Jewish state exists, Israel fears that such an entity would become a base for terrorist operations and a serious security threat. Israel's May 1989 peace plan attempts to deal with these concerns. By calling for local Palestinian elections to be followed by direct negotiations to determine the future of the areas, the Israeli plan allows for confidence building on both sides. Moreover, if the local Palestinian leadership accepts the plan, West Bank and Gaza residents will be the first Arabs in the Middle East outside of Israel to cast a truly free vote toward determining their own political future.

What is the Gaza Strip and why is Israel involved there at all?

Gaza is a narrow strip of territory located between the Sinai Peninsula and the state of Israel, measuring approximately 45 miles in length and ranging from five to ten miles in width.

Gaza has been occupied territory throughout history. Ruled first for 400 years by the Ottoman Empire, then by Britain under the mandate and Egypt before Israel, Gaza has long been referred to as the "forgotten" or "unwanted" territory.

Along with the West Bank, Gaza was to have been part of an independent Palestinian Arab state under the 1947 United Nations Partition Plan which proposed the division of Palestine into two states—one Jewish, one Arab. The plan was accepted by the Zionist leadership who proclaimed the independent state of Israel in May 1948. Had the Arabs also accepted the plan, the Palestinian Arab state would now be entering its 42nd year of independence. But the Arab leadership rejected the plan, favoring war with Israel over compromise. As a consequence of that war, Gaza, which could have become part of Arab Palestine, was seized by Egypt and remained under a harsh Egyptian occupation for the next 19 years.

Thoughout that period, Gazan residents lived under a tight Egyptian reign. Egyptian President Nasser refused to resettle the refugees or to permit their participation in Egypt's educational and economic systems. Claiming instead that Palestinian absorption into Egypt would detract from the Palestinian struggle for a homeland, he left Gaza largely underdeveloped. Its residents, moreover, were kept in squalid, exceptionally crowded conditions, restless and ready to serve as pawns in the Arabs continued war against Israel.

Israel did not acquire the Gaza Strip because of expansionist motivations as many of its detractors have charged. Rather, Israel gained control of Gaza as well as the West Bank in a defensive move in June 1967 during the Arab-initiated Six Day War. Israel had hoped that its administration of the areas would be temporary and shortly after the fighting ended Jerusalem signalled its willingness to negotiate the future of the territories. Unfortunately, in the 23 years since the Six Day War, not one Arab state has indicated an interest in joining in talks on Gaza's behalf. Israeli efforts to conduct talks with freely elected Gazan leaders, as called for in its May 1989 peace initiative, have also met with a negative response.

How have the Palestinian Arabs and the PLO reacted to the Iraqi invasion of Kuwait?

Many Palestinians in the territories and the PLO have fervently rallied around Saddam Hussein, hailing him as a modern hero. In the first days of the invasion, PLO chairman Yasir Arafat was photographed in a warm embrace with Saddam Hussein and the leadership of the *intifada* in the territories sent a congratulatory telegram to the Iraqi president. According to an Egyptian report, the telegram referred to the Iraqi invasion as "the first step toward the liberation of Palestine."

Public opinion polls taken in the territories in August 1990 indicated that 80 percent of Palestinians supported the Iraqi tyrant. West Bank journalist Daoud Kuttab explained: "On every level, on every side among the Palestinians, there is unprecedented support for Iraq and opposition to the Americans. Everyone is joining together—Islamic fundamentalist, leftists, nationalists, country people from the villages, Christians, regular Moslems. Every Palestinian is united."

Expressing this support, Palestinians have engaged in dozens of demonstrations and marches throughout the territories. In August, in the West Bank town of Jenin, 1000 Palestinians marched to the slogan, "Saddam, you hero, attack Israel with chemical weapons." At another virulent pro-Iraqi march in Nablus, demonstrators shouted: "We are with you Saddam. Abu Ammar [Arafat] give us guns and machine-guns and we will redeem you Saddam in spirit and in blood."

Although some PLO officials have stated that they do not support Iraq's occupation of Kuwait, they have refused to condemn the Iraqi leader. According to Muhammad Milhem, senior aide to Arafat and a member

of the PLO Executive Committee, "Saddam Hussein is our national hero." Palestine Liberation Front head Abu Abbas, mastermind of the Achille Lauro incident and the foiled seaborne massacre on Israeli beaches in May 1990, stated of Saddam, "We strongly support him in his pan-Arab battle and consequently, we will do our duty to support him in this battle."

Palestinians in the territories belonging to the Popular Struggle Front (a PLO-affiliated Palestinian action) issued a leaflet addressed to Saddam Hussein saying: "Greetings from Palestine, the *intifada* and the stones of the children . . . We are very much concerned by the situation fabricated by the imperialists preparing aggression against our brother country Iraq to end its national policy and effective Arab solidarity against imperialism, Zionism and Zionist interests. Brother revolutionary, we in the Popular Struggle Front in the State of Palestine support you and back your unification policy based on Arab nationalism to protect the right of the Arab peoples. We condemn those who are serving as trumpets for the U.S."●

UNITED STATES AID TO EL SALVADOR

● Mr. AKAKA. Mr. President, I rise today to express my deep concern over the administration's decision to release $42.5 million in military aid to El Salvador that was withheld from the fiscal year 1991 foreign aid appropriations. Last week, Senator PATRICK LEAHY, chairman of the Appropriations Subcommittee on Foreign Operations and coauthor of the withholding provision, spoke at length about the need to give peace talks between the FMLN rebels and the Government more time to succeed.

I wholeheartedly agree with Senator LEAHY's statement, just as I agreed to withhold these funds during the debate on the bill. Those of us who supported this provision did so because we believed it would encourage a negotiated peace settlement.

I do not believe that the administration's determination to release this military assistance to El Salvador at this time will help the peace process. Rather it will send the wrong message to all parties that the United States feels a negotiated settlement can best be achieved through further military aid to the Government of El Salvador. Ultimately the administration's stand could encourage continued armed conflict rather than move this war-torn nation toward peace.

Throughout the 10 years of U.S. military assistance, both the Government and the FMLN have committed gross violations of human rights. Most recently, the FMLN carried out a brutal act of aggression by shooting down a U.S. helicopter and then executing its unarmed American advisers. I urge the FMLN to swiftly bring those involved in the murder of our servicemen to justice.

I also call on the El Salvadoran Government to prosecute those responsible for the murders of the Jesuit priests by El Salvadoran soldiers at the University of Central America and to investigate and prosecute those involved in other human rights violations.

Through our commitment to the Leahy-Dodd amendment, we can demonstrate to these slain American servicemen and these men of God that the United States is serious in its resolve to end the conflict that caused their deaths.

Mr. President, I urge the administration to reexamine its reasons for deciding to release the $42.5 million in additional military assistance at this time. We should make clear that the legislation passed last year to withhold this aid was to pressure both the FMLN and the Government of El Salvador to negotiate a settlement. There can be no lasting peace without justice and no justice without genuine cooperation and good will among all parties to resolve peacefully those problems which divide them.●

ORDER OF BUSINESS

Mr. SARBANES. Mr. President, I am going to make a number of unanimous-consent requests. All of these have been cleared on the Republican side, I say to my colleagues.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. SARBANES. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations:

Calendar No. 3: Lt. Gen. Jimmie V. Adams, to be general, U.S. Air Force;

Calendar No. 4: Col. Thomas R. Cuthbert, Col. Kenneth D. Gray, Col. Malcolm S. Magers, Col. Robert E. Murray, to be permanent brigadier general, U.S. Army;

Calendar No. 5: Brig. Gen. John W. Cudmore, Brig. Gen. Jerry M. Keeton, Brig. Gen. James E. Moore, Brig. Gen. Vito Morgano, Brig. Gen. Reynaldo Sanchez, Brig. Gen. Richard S. Schneider, Brig. Gen. Harold J. Sykora, Brig. Gen. Normand A. Trudeau, Brig. Gen. James R. Williams, Brig. Gen. Wayne F. Wagner, to be major general, the U.S. Army National Guard;

Col. Phillip M. Becker, Col. David D. Boland, Col. William Miranda-Marin, Col. Herbert G. Stocking, Col. Terry J. Tyler, Col. Bobby H. Armistead, Col. Herbert B. Eagon, Col. Joseph Galioto, Col. Rodney R. Hannula, Col. Ronald A. Hoppes, Col. Joseph H. Langley, Col. John B. Ramey, Col. Richard M. Rusch, Col. Stanhope S. Spears, Col. Tony L. Stansberry, Col. Hoyt E. Thompson, Col. Wylie A. Abercrombie, Col. Michael W. Davidson, Col. Thomas M. Frazer, Col. Donald E. Hagglund, Col. Charles W. Fulkerson, to be brigadier general, the U.S. Army National Guard;

Calendar No. 6: Col. John J. Cuddy, to be permanent brigadier general, U.S. Army;

Calendar No. 7: Maj. Gen. William G. Pagonis, to be lieutenant general, U.S. Army;

And all nominations placed on the Secretary's desk in the Air Force, Army, and Navy.

I further ask unanimous consent that the nominees be confirmed, en bloc, that any statements appear in the RECORD as if read, that the motions to reconsider be laid upon the table, en bloc, that the President be immediately notified of the Senate's action, and that the Senate return to legislative session.

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

The nominations considered and confirmed en bloc are as follows:

IN THE AIR FORCE

The following-named officer for appointment to the grade of general while assigned to a position of importance and responsibility under title 10, United States Code, section 601:

To be general

Lt. Gen. Jimmie V. Adams [redacted] U.S. Air Force.

IN THE ARMY

The following-named Army Judge Advocate General's Corps officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624(c):

To be permanent brigadier general

Col. Thomas R. Cuthbert, [redacted] U.S. Army.

Col. Kenneth D. Gray, [redacted] U.S. Army.

Col. Malcolm S. Magers, [redacted] U.S. Army.

Col. Robert E. Murray, [redacted] U.S. Army.

The U.S. Army National Guard Officers named herein for appointment in the Reserve of the Army of the United States in the grades indicated below, under the provisions of title 10, United States Code, sections 593(a), 3385, and 3392:

To be major general

Brig. Gen. John W. Cudmore, [redacted]
Brig. Gen. Jerry M. Keeton, [redacted]
Brig. Gen. James E. Moore, [redacted]
Brig. Gen. Vito Morgano, [redacted]
Brig. Gen. Reynaldo Sanchez, [redacted]
Brig. Gen. Richard S. Schneider, [redacted]
Brig. Gen. Harold J. Sykora [redacted]
Brig. Gen. Normand A. Trudeau, [redacted]
Brig. Gen. James R. Williams [redacted]
Brig. Gen. Wayne F. Wagner [redacted]

To be brigidier general

Col. Phillip M. Mecker [redacted]
Col. David D. Boland [redacted]
Col. William Miranda-Marin [redacted]
Col. Herbert G. Stocking [redacted]
Col. Terry J. Tyler [redacted]
Col. Bobby H. Armistead [redacted]
Col. Herbert B. Eagon [redacted]
Col. Joseph Galioto [redacted]
Col. Rodney R. Hannula [redacted]

Col. Ronald A. Hoppes [redacted]
Col. Joseph H. Langley [redacted]
Col. John B. Ramey [redacted]
Col. Richard M. Rusch [redacted]
Col. Stanhope S. Spear [redacted]
Col. Tony L. Stansberry [redacted]
Col. Hoyt E. Thompson [redacted]
Col. Wylie A. Abercrombie [redacted]
Col. Michael W. Davidson [redacted]
Col. Thomas M. Frazer [redacted]
Col. Donald E. Hagglund [redacted]
Col. Charles W. Fulkerson [redacted]

The following-named officer for appointment in the Regular Army (Dental Crops) of the United States to the grade of Brigadier General under the provisions of Title 10, United States Code, Section 611(a) and 624:

To be permanent brigadier general

Col. John J. Cuddy, [redacted] U.S. Army.

The following-named officer for appointment to the grade of lieutenant general while assigned to a position of importance and responsibility under title 10, United States Code, section 601(a):

To be lieutenant general

Maj. Gen. William G. Pagonis [redacted] U.S. Army.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY

Air Force nomination of Donald J. Grande, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of January 4, 1991.

Air Force nominations beginning Charles O. Bruce, III [redacted] and ending Don E. Wilson, [redacted] which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 4, 1991.

Air Force nominations beginning Steven L. Abernathy, and ending Manfried K. Zeithammel, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 4, 1991.

Air Force nomination of Fortunato T. Elizaga, which was received by the Senate on January 11, 1991, and appeared in the CONGRESSIONAL RECORD of January 11, 1991.

Air Force nominations beginning Donald E. Bayles, and ending Danny J. Wyatt, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 11, 1991.

Air Force nominations beginning Neil T. Allen, and ending Stuart W. Weinberger, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 23, 1991.

Army nominations beginning * Hugh D. Thorfinnson, and ending Joseph R. Edwards, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 4, 1991.

Army nominations beginning Barbara Blatter, and ending Carol H. Zimmerman, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 4, 1991.

Army nominations beginning James F. Butler, Jr., and ending Arvid K. Olson, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 4, 1991.

Army nominations beginning Michael J. Bayer, and ending Frank H. Ma, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 4, 1991.

Army nominations beginning Joseph S. Hunter, and ending Cheryl L. Sisler, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 11, 1991.

Army nominations beginning Ray D. Berringer, and ending Frank J. Suatoni, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 11, 1991.

Army nominations beginning Craig B. Anderson, and ending Walter R. Waddle, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 11, 1991.

Army nominations beginning Thomas E. Batsky, and ending Edward J. Zandy, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 11, 1991.

Army nominations beginning Mary P. Celio, and ending Philip A. Webb, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 11, 1991.

Army nominations beginning Alexander H. Burgin, and ending Michael J. Jennings, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 11, 1991.

Army nominations beginning Robert T. Adams, and ending Ronald G. Young, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 22, 1991.

Army nominations beginning Jose C. Abiles, and ending 381, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 4, 1991.

Navy nominations beginning Kevin K. Bach, and ending Allen M. Williams, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 4, 1991.

Navy nominations beginning Manuel V. Ordonez, and ending Thomas V. Moore, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 4, 1991.

Navy nominations beginning Lynn E. Acheson, and ending Noel Wiscovitch, which nominations were received by the Senate on January 8, 1991,and appeared in the CONGRESSIONAL RECORD of January 10, 1991.

Navy nominations beginning Walter M. Elliott, and ending Debra D. Yarema, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 11, 1991.

Navy nominations beginning Kenneth S. Acfalle, and ending Kimberly A. Zych, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 22, 1991.

Navy nominations beginning Michael W. Abraham, and ending Niel C. Bourgeois, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 23, 1991.

Navy nominations beginning Enrique N. Panlilio, and ending Michael T. Curran, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of January 23, 1991.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will resume legislative session.

NATIONAL GIRLS AND WOMEN IN SPORTS DAY

Mr. SARBANES. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 30, designating National Girls and Women in Sports Day, just received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 30) to designate February 7, 1991, as "National Girls and Women in Sports Day."

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.

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 30) was ordered to a third reading, was read the third time, and passed.

The preamble was agreed to.

Mr. SARBANES. Mr. President, I ask the action just taken be reconsidered and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEASURE INDEFINITELY POSTPONED—SENATE JOINT RESOLUTION 66

Mr. SARBANES. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 66, the Senate companion, and that the measure then be indefinitely postponed.

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

NATIONAL AND COMMUNITY SERVICE ACT AMENDMENTS

Mr. SARBANES. Mr. President, on behalf of Senators KENNEDY and HATCH I send a bill making technical changes in the National and Community Service Act to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 379) to make certain technical amendments to the National and Community Service Act, and for other purposes.

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

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

Mr. KENNEDY. Mr. President, I am pleased to support the National and Community Service Technical Amendments Act of 1991. This legislation

makes technical changes in the National and Community Service Act of 1990 (Public Law 101-610), makes two changes in the provisions on the selection of members to the Board of Directors of the Commission on National and Community Service. This revision was requested by the administration, in order to deal with constitutional objections to the original provisions.

The first provision to which the administration objected required the President to appoint members to the Board possessing adequate experience and diversity. There can be no serious question about Congress' constitutional authority under the appointments clause to prescribe the qualifications for offices subject to presidental appointment. The Congress has long legislated such qualifications for Federal offices, including many of the most important regulatory agencies. The courts have long recognized Congress' constitutional authority to prescribe qualifications for Federal offices, and the administration cannot seriously contend otherwise here.

The second objection, which presents a more substantive question, concerns the statute's provision of a prescribed congressional role in the President's nomination process. Here, too, it is my belief that useful precedent exists in prior legislation providing for Congress to submit a list of potential appointees to the President for consideration. The executive branch has previously recognized that, as long as the President has the ability to request the submission of additional prospective names, and, if necessary, to choose persons not on the congressional list, such congressional involvement is permissible under the appointments clause.

Had the executive branch adhered to its earlier understanding and sought to work with the Congress to utilize these precedents, no amendment to these provisions would have been necessary. However, the administration's objection to these provisions raises the possibility of a long delay in the appointment of members to the Board. In order to expedite the implementation of the act and enable the Commission to begin to perform its important tasks, the bill modifies the appointment provisions in response to the administration's requests. We hope that in selecting nominees to the Board, the President will adhere to the spirit of the goals that Congress set forth in the original provisions.

Ms. MIKULSKI. Mr. President, I rise today to celebrate the fact that we are one step closer to making the National and Community Service Act of 1990 a reality. Today, as we pass the Technical Amendments to the National and Community Service Act, we are helping our volunteers provide the services that are needed so badly in America's communities. I want to take this opportunity to urge the President to join with the Congress and do everything he can to get this National and Community Service Act underway as soon as possible.

This legislation creates opportunities for Americans to solve the problems we all encounter in our own communities. It lets senior citizens help take care of AIDS babies left alone in a hospital. It helps college students go out and build shelters for families living on the streets. It lets a young mother or father take some time to teach an illiterate neighbor how to read.

At the same time this bill helps our volunteers achieve key parts of the American dream. People who can't afford to take time off from work can volunteer part-time. In return for a part-time commitment of at least 3 years, volunteers can receive vouchers of up to $2,000 per year which are good for paying expenses for higher education or for a downpayment on a first home. And this bill lets full-time volunteers receive educational vouchers of up to $5,000.

Mr. President, we are now in the last decade of the 20th century. As we enter the 21st century, this country has to remember the values that made it great, the values of Main Street America. The National and Community Service Act of 1990 goes right to the heart of those values. I hope to see it fully implemented very soon. I yield the floor.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 379) was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 379

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "National and Community Service Technical Amendments Act of 1991".

SEC. 2. REFERENCES.

Except as otherwise provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the National and Community Service Act (Public Law 101-610).

SEC. 3. DEFINITIONS.

Section 101 (42 U.S.C. 1241) is amended—

(1) by inserting after paragraph (6), the following new paragraph:

"(7) INDIAN.—The term 'Indian' means a person who is a member of an Indian tribe.";

(2) by redesignating paragraphs (7) through (29) as paragraphs (8) through (30), respectively;

(3) in paragraph (8) (as so redesignated), by inserting "an Indian or" before "Indian tribes" each place that such appears;

(4) in paragraph (14) (as so redesignated), by adding at the end thereof the following new sentence; "Participants shall not be considered employees of the program.";

(5) in paragraph (23) (as so redesignated), by striking out "students or out of school youth" and inserting in lieu thereof "participants";

(6) in paragraph (24) (as so redesignated)—

(A) by striking out "MEMBER" in the paragraph heading and inserting in lieu thereof "PARTICIPANT"; and

(B) by striking out "member" and inserting in lieu thereof "participant"; and

(7) in paragraph (30) (as so redesignated), by inserting "corps" after "youth service".

SEC. 4. PROGRAMS FOR STUDENTS AND OUT-OF-SCHOOL YOUTH.

Subtitle B of title I (42 U.S.C. 12421 et seq.) is amended—

(1) by striking out the subtitle heading and the heading of part I and inserting in lieu thereof the following:

"Subtitle B—Programs for Students and Out-of-School Youth

"PART I—SERVE-AMERICA";

(2) in section 111(a)(2)(B)(i) (42 U.S.C. 12421(a)(2)(B)(i)), by striking out ", and that is representative of the community in which such services will be provided";

(3) in section 112 (42 U.S.C. 12422)—

(A) by inserting "the Virgin Islands," before "Guam" in subsection (a);

(B) by inserting "solely" after "activities in subsection (c);

(C) by striking out "section 111(a)(2)" in subsection (c) and inserting in lieu thereof "paragraphs (2), (3), or (4) of section 111(a)"; and

(D) by inserting "and Indian Tribes" before "on a competitive basis" in subsection (e);

(4) in section 114 (42 U.S.C. 12424)—

(A) by striking out "Youth Service Corps and National Service" in subsection (c)(7); and

(B) by striking out "role" and inserting in lieu thereof "volunteer and";

(5) in section 117(b)(1) (42 U.S.C. 12427(b)(1)), by inserting "evaluations," after "insurance,"; and

(6) in section 118(b)(7) (42 U.S.C. 12428(d)(7))—

(A) by striking out "in the program"; and

(B) by striking out "project" and inserting in lieu thereof "program".

SEC. 5. AMERICAN CONSERVATION AND YOUTH SERVICE CORPS.

Subtitle C of title I (42 U.S.C. 12441 et seq.) is amended—

(1) in the subtitle heading by inserting **"Service"** before **"Corps"**;

(2) In section 122(e) (42 U.S.C. 12442(e)), by inserting "service" after "youth";

(3) in section 123(c) (42 U.S.C. 12443(c))—

(A) by striking out "and" at the end of paragraph (13);

(B) by redesignating paragraph (14) as paragraph (15); and

(C) by inserting after paragraph (14) the following new paragraph:

"(14) a plan for ensuring that post-service education and training benefits are used solely for the purposes designated in this subtitle; and";

(4) in section 124 (42 U.S.C. 12444)—

(A) by striking out "human services" in subsection (a)(2) and inserting in lieu thereof "youth service"; and

(B) by striking out "services in any project" and all that follows through "projects" in section (c) and inserting in lieu thereof "any specific activity for more than a 6-month period. No participant shall remain enrolled in programs";

(5) in section 128(a)(3) (42 U.S.C. 12448(a)(3)), by striking out "project or service" and inserting in lieu thereof "activity";

(6) in section 133(d)(1) (42 U.S.C. 12453(a)(3)), by striking out "subsections (a) and (c)" and inserting in lieu thereof "subsection (a)"; and

(7) by striking out section 136 (42 U.S.C. 12456).

SEC. 6. NATIONAL AND COMMUNITY SERVICE.

(a) ELIGIBILITY.—Section 145(c) (42 U.S.C. 12475(c)) is amended—

(1) by striking out "member" and inserting in lieu thereof "participant" in the matter preceding paragraph (1); and

(2) by striking out "membership" and inserting in lieu thereof "participation" in paragraph (2).

(b) POST-SERVICE BENEFITS.—Section 146(e)(2) (42 U.S.C. 12476(e)(2)) is amended by inserting "benefit" before "provided".

SEC. 7. INNOVATIVE AND DEMONSTRATION PROGRAMS AND PROJECTS

Section 157(c) (42 U.S.C. 12502(c)) is amended—

(1) in paragraph (7)—

(A) by striking out "in the program"; and

(B) by striking out "project" and inserting in lieu thereof "program"; and

(2) in paragraph (8), by striking out "in a program".

SEC. 8. ADMINISTRATIVE PROVISIONS.

Subtitle F of title I (42 U.S.C. 12531 et seq.) is amended—

(1) in section 178(b)(1)(B) (42 U.S.C. 12538(b)(1)(B)) by striking out "youth service corps" and inserting in lieu thereof "youth corps"; and

(2) by inserting after section 185 (42 U.S.C. 12545) the following new section:

"SEC. 186. REGULATIONS.

"Prior to the end of the 180-day period beginning on the date of enactment of the National and Community Service Act of 1990, the Commission shall issue final rules or regulations necessary to implement the provisions of this title.".

SEC. 9. COMMISSION ON NATIONAL AND COMMUNITY SERVICE.

Section 190 (42 U.S.C. 12551)—

(1) in subsection (b)—

(A) by striking out "Senate," in paragraph (1)(A) and all that follows and inserting in lieu thereof the following: "Senate. To the maximum extent practicable, an effort should be made to appoint members—

"(i) who have extensive experience in volunteer and service opportunity programs and who represent a broad range of viewpoints; and

"(ii) so that the Board shall be diverse according to race, ethnicity, age, gender, and political party membership."; and

(B) by striking out paragraphs (2), (3), and (4) and inserting in lieu thereof the following new paragraph:

"(2) TERMS.—Each member of the Board shall serve for a term of 3 years, except that seven of the initial members of the Board shall serve for a term of 1 year and seven shall serve for a term of 2 years, as designated by the President.";

(2) in subsection (c)(7), by striking out "national service demonstration program" and inserting "program authorized by subtitle D"; and

(4) in subsection (f)(3), by striking out "National and regional clearinghouses" and inserting in lieu thereof "Clearinghouses".

SEC. 10. YOUTHBUILD.

Section 715 of the Domestic Volunteer Service Act of 1973 is amended by striking out "Secretary" and inserting "Director".

Mr. SARBANES. Mr. President, I move to reconsider the vote. I move to table the motion to reconsider.

The motion to lay on the table was agreed to.

CALLING UPON THE GOVERNMENT OF VIETNAM TO PERMIT POLITICAL PRISONERS TO DEPART

Mr. SARBANES. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 51, submitted earlier today by Senators KENNEDY, PELL, SIMPSON, LUGAR, MCCAIN, and PACKWOOD, regarding political prisoners in Vietnam now at the desk.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 51) calling upon the Government of Vietnam to permit political prisoners from the former Government of South Vietnam to depart Vietnam and reunite with their families in the United States.

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

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

Mr. KENNEDY. Mr. President, almost 4 years ago, Senator DOLE and I submitted a resolution calling on the Government of Vietnam to release the thousands of political prisoners—officials and soldiers from the former Saigon regime held at that time in reeducation camps—and to allow them to reunite with their families abroad.

Today, we again submit a resolution on the subject of political prisoners in Vietnam. But much has changed over the last 4 years, and there has been considerable progress in gaining the release of political prisoners, and in expediting procedures for their emigration.

In 1987, the political prisoner population in Vietnam numbered several thousand. Today, only about 150 prisoners are still in reeducation camps. In 1987, very few were permitted to leave Vietnam for resettlement abroad. But over the past 2 years, hundreds have been able to depart and reunite with their families.

The progress of the past 4 years is to be commended. However, there is still much to be done. With this resolution, we urge the Vietnamese Government to take the final step to release all remaining political prisoners—many now in their later years—and allow them once again to join their families. And we urge our own administration to ensure that no stone is left unturned in the essential task of reuniting these families.

The season of TET—the Vietnamese new year—is just around the corner. For Vietnamese in Vietnam and around the world, it is a time of hope and renewal and a time to acknowledge family and friends. I believe it is important, on the eve of this important Vietnamese observance, that the Senate let these prisoners and their families know that they are not forgotten, and that we continue in our efforts to reunite them in freedom.

Mr. President, I want particularly to commend the untiring efforts of the Families of Vietnamese Political Prisoners Association, under the able leadership of Mrs. Khuc Minh Tho. The families have been an inspiration to us all, as they have struggled to succeed in America, while coping with the long separation from loved ones still in Vietnam.

Mr. President, I am pleased to join with my colleagues in urging the Senate's adoption of this important and timely resolution.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the resolution.

The resolution (S. Res. 51) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 51

Whereas almost 16 years have passed since the end of the Vietnam war;

Whereas the Senate, in a resolution adopted on May 1, 1987, called upon the Government of the Socialist Republic of Vietnam to "release the remaining prisoners held as a result of their previous association with the Government of South Vietnam prior to 1975" and to permit prisoners to join their families abroad;

Whereas during the past three years the Government of the Socialist Republic of Vietnam has released significant numbers of political prisoners from "re-education camps" and has permitted many former prisoners to join their families abroad; and

Whereas at least 150 officials of the former Government of South Vietnam nonetheless remain in "re-education camps" in Vietnam, and thousands of former prisoners still have been unable to reunite with their families in the United States and elsewhere: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Government of the Socialist Republic of Vietnam should continue to release the remaining political prisoners held as a result of their previous association with the Government of South Vietnam prior to 1975;

(2) the Government of the Socialist Republic of Vietnam should permit the expeditious departure of those former prisoners wishing to depart Vietnam; and

(3) the President and the Secretary of State should continue to give highest priority to efforts to speed and facilitate the reunion of former prisoners with their families in the United States.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. SARBANES. I move to reconsider the vote by which the Senate resolution was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDERS FOR TOMORROW

Mr. SARBANES. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today it stand in recess until 10:30 a.m., Thursday, February 7; that following the prayer, the Journal of the 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 11:30 a.m., with Senators permitted to speak therein for up to 10 minutes each.

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

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. SARBANES. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess under the previous order until 10:30 a.m., on Thursday, February 7, 1991.

There being no objection, the Senate, at 6:58 p.m., recessed until Thursday, February 7, 1991, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate February 6, 1991:

DEPARTMENT OF COMMERCE

ROCKWELL ANTHONY SCHNABLE, OF CALIFORNIA, TO BE DEPUTY SECRETARY OF COMMERCE, VICE THOMAS JOSEPH MURRIN, RESIGNED.

BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION

HANS M. MARK, OF TEXAS, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE BARRY GOLDWATER SCHOLARSHIP AND EXCELLENCE IN EDUCATION FOUNDATION FOR A TERM EXPIRING APRIL 17, 1996. (REAPPOINTMENT)

NATIONAL ADVISORY COUNCIL ON EDUCATIONAL RESEARCH AND IMPROVEMENT

SANDRA MILLS, OF WISCONSIN, TO BE A MEMBER OF THE NATIONAL ADVISORY COUNCIL ON EDUCATIONAL RESEARCH AND IMPROVEMENT FOR A TERM EXPIRING SEPTEMBER 30, 1993, VICE WILLIAM G. GOETZ.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

REAR ADM. JAMES A. YEAGER FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (0–8), WHILE SERVING IN A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE SECRETARY OF COMMERCE AS WARRANTING THAT GRADE IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION AND

REAR ADM. RAYMOND L. SPEER FOR APPOINTMENT TO THE GRADE OF REAR ADMIRAL (LOWER HALF) (0–7), WHILE SERVING IN A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE SECRETARY OF COMMERCE AS WARRANTING THAT GRADE IN THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, UNDER THE PROVISIONS OF TITLE 33, UNITED STATES CODE, SECTION 853U.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 6, 1991:

AIR FORCE

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be general

LT. GEN. JIMMIE V. ADAMS [redacted] U.S. AIR FORCE.

ARMY

THE FOLLOWING-NAMED ARMY JUDGE ADVOCATE GENERAL'S CORPS OFFICERS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES TO THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624(C):

To be permanent brigadier general

COL. THOMAS R. CUTHBERT [redacted] U.S. ARMY.
COL. KENNETH D. GRAY, [redacted] U.S. ARMY.
COL. MALCOLM S. MAGERS [redacted] U.S. ARMY.
COL. ROBERT E. MURRAY [redacted] U.S. ARMY.

THE UNITED STATES ARMY NATIONAL GUARD OFFICERS NAMED HEREIN FOR APPOINTMENT IN THE RESERVE OF THE ARMY OF THE UNITED STATES IN THE GRADES INDICATED BELOW, UNDER THE PROVISIONS OF TITLE 10, UNITED STATE CODE, SECTIONS 593(A), 3385 AND 3392:

To be major general

BRIG. GEN. JOHN W. CUDMORE [redacted]
BRIG. GEN. JERRY M. KEETON [redacted]
BRIG. GEN. JAMES E. MOORE [redacted]
BRIG. GEN. VITO MORGANO [redacted]
BRIG. GEN. REYNALDO SANCHEZ [redacted]
BRIG. GEN. RICHARD S. SCHNEIDER [redacted]
BRIG. GEN. HAROLD J. SYKORA [redacted]
BRIG. GEN. NORMAND A. TRUDEAU [redacted]
BRIG. GEN. JAMES R. WILLIAMS [redacted]
BRIG. GEN. WAYNE F. WAGNER [redacted]

To be brigadier general

COL. PHILLIP M. BECKER [redacted]
COL. DAVID D. BOLAND [redacted]
COL. WILLIAM MIRANDA-MARIN [redacted]
COL. HERBERT G. STOCKING [redacted]
COL. TERRY J. TYLER [redacted]
COL. BOBBY H. ARMISTEAD [redacted]
COL. HERBERT B. EAGON [redacted]
COL. JOSEPH GALIOTO [redacted]
COL. RODNEY R. HANNULA [redacted]
COL. RONALD A. HOPPES [redacted]
COL. JOSEPH H. LANGLEY [redacted]
COL. JOHN B. RAMEY [redacted]
COL. RICHARD M. RUSCH [redacted]
COL. STANHOPE S. SPEARS [redacted]
COL. TONY L. STANSBERRY [redacted]
COL. HOYT E. THOMPSON [redacted]
COL. WYLIE A. ABERCROMBIE [redacted]
COL. MICHAEL W. DAVIDSON [redacted]
COL. THOMAS M. FRAZER [redacted]
COL. DONALD E. HAGGLUND [redacted]
COL. CHARLES W. FULKERSON [redacted]

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE REGULAR ARMY (DENTAL CORPS) OF THE UNITED STATES TO THE GRADE OF BRIGADIER GENERAL UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 611(A) AND 624:

To be permanent brigadier general

COL. JOHN J. CUDDY [redacted] U.S. ARMY.

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE OF LIEUTENANT GENERAL WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

MAJ. GEN. WILLIAM G. PAGONIS [redacted] U.S. ARMY.

IN THE AIR FORCE

AIR FORCE NOMINATION OF DONALD J. GRANDE, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 4, 1991.

AIR FORCE NOMINATIONS BEGINNING CHARLES O. BRUCE, [redacted] AND ENDING DON E. WILSON, 521–44–1319, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 4, 1991.

AIR FORCE NOMINATIONS BEGINNING STEVEN L. ABERNATHY, AND ENDING MANFRIED K. ZEITHAMMEL, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 4, 1991.

AIR FORCE NOMINATION OF FORTUNATO T. ELIZAGA, WHICH WAS RECEIVED BY THE SENATE ON JANUARY 11, 1991, AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 11, 1991.

AIR FORCE NOMINATIONS BEGINNING DONALD E. BAYLES, AND ENDING DANNY J. WYATT, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 11, 1991.

AIR FORCE NOMINATIONS BEGINNING NEIL T. ALLEN, AND ENDING STUART W. WEINBERGER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 23, 1991.

IN THE ARMY

ARMY NOMINATIONS BEGINNING *HUGH D. THORFINNSON, AND ENDING JOSEPH R. EDWARDS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 4, 1991.

ARMY NOMINATIONS BEGINNING BARBARA BLATTER, AND ENDING CAROL H. ZIMMERMAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 4, 1991.

ARMY NOMINATIONS BEGINNING JAMES F. BUTLER, JR, AND ENDING ARVID K. OLSON, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 4, 1991.

ARMY NOMINATIONS BEGINNING MICHAEL J. BAYER, AND ENDING FRANK H. MA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 4, 1991.

ARMY NOMINATIONS BEGINNING JOSE C. ABILES, AND ENDING 381, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 4, 1991.

ARMY NOMINATIONS BEGINNING JOSEPH S. HUNTER, AND ENDING CHERYL L. SISLER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 11, 1991.

ARMY NOMINATIONS BEGINNING RAY D. BERRINGER, AND ENDING FRANK J. SUATONI, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 11, 1991.

ARMY NOMINATIONS BEGINNING CRAIG B. ANDERSON, AND ENDING WALTER R. WADDLE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 11, 1991.

ARMY NOMINATIONS BEGINNING THOMAS E. BATSKY, AND ENDING EDWARD J. ZANDY, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 11, 1991.

ARMY NOMINATIONS BEGINNING MARY P. CELIO, AND ENDING PHILLIP A. WEBB, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 11, 1991.

ARMY NOMINATIONS BEGINNING ALEXANDER H. BURGIN, AND ENDING MICHAEL J. JENNINGS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 11, 1991.

ARMY NOMINATIONS BEGINNING ROBERT T. ADAMS, AND ENDING RONALD G. YOUNG, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 22, 1991.

IN THE NAVY

NAVY NOMINATIONS BEGINNING KEVIN K. BACH, AND ENDING ALLEN M. WILLIAMS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 4, 1991.

NAVY NOMINATIONS BEGINNING MANUEL V. ORDONEZ, AND ENDING THOMAS V. MOORE, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 4, 1991.

NAVY NOMINATIONS BEGINNING LYNN E. ACHESON, AND ENDING NOEL WISCOVITCH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE ON JANUARY 8, 1991, AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 10, 1991.

NAVY NOMINATIONS BEGINNING WALTER M. ELLIOTT, AND ENDING DEBRA D. YAREMA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 11, 1991.

NAVY NOMINATIONS BEGINNING KENNETH S. ACFALLE, AND ENDING KIMBERLY A. ZYCH, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 22, 1991.

NAVY NOMINATIONS BEGINNING MICHAEL W. ABRAHAM, AND ENDING NEIL C. BOURGEOIS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF JANUARY 23, 1991.

NAVY NOMINATIONS BEGINNING ENRIQUE N. PANLILIO, AND ENDING MICHAEL T. CURRAN, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON JANUARY 23, 1991.